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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8251)

(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017; AND (2) CHANGE OF USE OF NET PROCEEDS

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

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

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

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

ANNUAL RESULTS

The board of Directors (the "Board") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2017 together with the comparative figures for the year ended 31 March 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

		2017	2016
	Notes	***HK$'000***	*HK$'000*
Revenue	*5*	**128,860**	99,762
Cost of services		**(59,506)**	(47,748)
Gross profit		**69,354**	52,014
Other income		**3**	1,007
Selling and distribution expenses		**(12,792)**	(9,120)
Administrative expenses		**(23,553)**	(25,869)
Profit before tax		**33,012**	18,032
Income tax expense	*7*	**(5,408)**	(4,646)
Profit and total comprehensive income attributable to the owners of the Company	*8*	**27,604**	13,386
Earnings per share *(HK cents)*			
– Basic and diluted	*9*	**6.99**	5.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Plant and equipment		**6,928**	2,155
Goodwill		**11,423**	11,423
Deposits paid for acquisition of plant and equipment		**1,627**	–
Rental deposits		**1,114**	–
Deferred tax assets		**–**	142
		21,092	13,720
Current assets			
Amounts due from customers on services contracts		**7,208**	9,062
Trade and other receivables	*11*	**25,612**	20,186
Income tax recoverable		**1,425**	–
Bank balances		**65,950**	24,041
		100,195	53,289
Current liabilities			
Trade and other payables	*12*	**21,770**	19,584
Income tax payables		**295**	1,572
		22,065	21,156
Net current assets		**78,130**	32,133
Total assets less current liabilities		**99,222**	45,853
Non-current liability			
Deferred tax liabilities		**212**	–
		99,010	45,853
Capital and reserves			
Share capital	*13*	**4,000**	1
Reserves		**95,010**	45,852
		99,010	45,853

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands as an exempted company with limited liability on 20 April 2015. Its parent and ultimate holding company is Brilliant Ray Global Limited ("Brilliant Ray") (incorporated in the British Virgin Islands (the "BVI")). The address of the registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the address of principal place of business of the Company is located at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong. The shares of the Company have been listed on the GEM of the Stock Exchange with effect from 19 April 2016.

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

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to a group reorganisation (the "Reorganisation"), the Company became the holding company of the Group on 23 March 2016. The Company, Power Future Holdings Limited ("Power Future"), Maplehill Investments Limited ("Maplehill") and A.Plus Financial Press Limited ("APF"), resulting from the Reorganisation, was directly and/or beneficially owned by the same beneficial owners in substantially the same proportionate ownership interests both before and after the Reorganisation. As such, this Reorganisation is effectively interspersing an intermediate 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.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 March 2016, 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 2015 or since their respective dates of incorporation.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and interpretations ("Int"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle[3]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKAS 40	Transfers of Investment Property[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]

[1] *Effective for annual periods beginning on or after 1 January 2017.*

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

[3] *Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.*

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

[5] *Effective date not yet been determined.*

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.

5. REVENUE

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

	2017	2016
	HK$'000	*HK$'000*
Results announcements and financial reports	**50,966**	40,739
Company announcements and shareholder circulars	**47,728**	42,198
Debt offering circulars and initial public offering prospectuses	**17,061**	6,264
Fund documents	**4,271**	5,518
Others	**8,834**	5,043
	128,860	99,762

6. SEGMENT INFORMATION

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

During the years ended 31 March 2017 and 2016, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

7. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**5,054**	4,672
Deferred taxation	**354**	(26)
	5,408	4,646

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

8. PROFIT FOR THE YEAR

	2017	2016
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Salaries, wages and other benefits	**35,784**	26,413
Contribution to defined contribution retirement benefits scheme	**975**	775
Total staff costs (excluding directors' remuneration)	**36,759**	27,188
Auditor's remuneration	**670**	620
Depreciation of plant and equipment	**1,569**	1,322
Impairment loss of trade receivables (included in administrative expenses)	**2,151**	454
Listing expenses	**–**	10,209
Operating lease charges in respect of office premises and certain office equipment	**3,791**	2,734

9. EARNINGS PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**27,604**	13,386

	2017	2016
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**395,068**	253,180

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 2017 and 2016.

The weighted average number of ordinary shares in issue during the years ended 31 March 2017 and 2016 have been retrospectively adjusted for the effect of the capitalisation issue as stated in note 13(e) pursuant to the Reorganisation as stated in the prospectus of the Company dated 31 March 2016 (the "Prospectus") as if such capitalisation issued shares were issued during the year ended 31 March 2016 on pro rata basis.

10. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting period.

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 announcement.

11. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**26,923**	16,013
Less: Allowance for impairment of trade receivables	**(3,170)**	(1,020)
	23,753	14,993
Prepayments	**1,092**	3,754
Deposits	**767**	1,439
Trade and other receivables	**25,612**	20,186

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.

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**12,879**	8,473
31 to 60 days	**4,746**	2,053
61 to 90 days	**1,622**	780
Over 90 days	**4,506**	3,687
Total	**23,753**	14,993

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of approximately HK$10,874,000 (2016: HK$6,520,000) 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.

The aged analysis of trade receivables which are past due but not impaired is set out below:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**4,746**	2,053
31 to 60 days	**1,622**	780
Over 60 days	**4,506**	3,687
Total	**10,874**	6,520

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

	2017	2016
	HK$'000	*HK$'000*
At the beginning of the year	**1,020**	624
Impairment loss recognised	**2,151**	454
Reversal of impairment loss	**(1)**	(58)
At the end of the year	**3,170**	1,020

Included in the allowance for impairment of trade receivables are individually impaired trade receivables with an aggregate balance of approximately HK$3,170,000 (2016: HK$1,020,000) which have been impaired based on the credit history of its customers' financial difficulties or default in payments, and current market conditions.

Included in prepayments as at 31 March 2017, balance of approximately HK$767,000 (2016: HK$866,000) is prepayment to a related company in relation to the provision of translation services.

12. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**8,594**	5,090
Customer deposit	**3,909**	2,526
Accrued bonus and commission	**5,240**	5,068
Accruals	**4,027**	6,900
Trade and other payables	**21,770**	19,584

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**6,812**	2,741
31 to 60 days	**1,260**	591
61 to 90 days	**64**	399
Over 90 days	**458**	1,359
Trade payables	**8,594**	5,090

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.

13. SHARE CAPITAL

Movements of the authorised and issued share capital of the Company for the period from 20 April 2015 (date of incorporation of the Company) to 31 March 2017 are as follows:

	Number of Ordinary shares	**Share capital**
		HK$
Ordinary share of HK$0.01 each		
Authorised:		
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, 1 April 2016 and 31 March 2017	8,000,000,000	80,000,000
Issued and fully paid:		
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 and 1 April 2016	100,000	1,000
Issue of new shares upon completion of Reorganisation *(note e)*	299,900,000	2,999,000
Issue of new shares upon listing *(note e)*	100,000,000	1,000,000
At 31 March 2017	400,000,000	4,000,000

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.

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 APF and 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 2017, revenue generated from results announcements and financial reports segment amounted to approximately HK$51.0 million, representing an increase of approximately 25.1% as compared with approximately HK$40.7 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 for the year ended 31 March 2017. For the years ended 31 March 2017 and 2016, the revenue generated from results announcements and financial reports segment represented approximately 39.6% and 40.8% 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 2017, revenue generated from company announcements and shareholder circulars segment amounted to approximately HK$47.7 million, representing an increase of approximately 13.1% as compared with approximately HK$42.2 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 2017 and 2016, the revenue generated from company announcements and shareholder circulars segment represented approximately 37.0% and 42.3% 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 2017, revenue generated from debt offering circulars and IPO prospectuses segment amounted to approximately HK$17.1 million, representing an increase of approximately 172.4% as compared with approximately HK$6.3 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 2017. For the years ended 31 March 2017 and 2016, the revenue generated from debt offering circulars and IPO prospectuses segment represented approximately 13.2% and 6.3% of the Group's total revenue respectively.

Fund documents

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

For the year ended 31 March 2017, revenue generated from fund documents segment amounted to approximately HK$4.3 million, representing a decrease of approximately 22.6% as compared with approximately HK$5.5 million in the previous year. For the years ended 31 March 2017 and 2016, the revenue generated from fund documents segment represented approximately 3.3% and 5.5% 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 2017, revenue generated from this segment amounted to approximately HK$8.8 million, representing an increase of approximately 75.2% as compared with approximately HK$5.0 million in the previous year. For the years ended 31 March 2017 and 2016, the revenue generated from this segment represented approximately 6.9% and 5.1% of the Group's total revenue respectively.

FUTURE PROSPECTS

Recently, the financial market sentiment has been weak as indicated by a decrease in post-IPO equity fund raised in Hong Kong *Note*. Such sentiment, if persists, may affect the overall demand for financial printing services in Hong Kong.

In June 2016, the SFC and the Stock Exchange issued a joint consultation paper in relation to listing regulation. Moreover, in June 2017, the Stock Exchange issued a consultation paper on, among others, review of the GEM and a concept paper on the New Board. Those consultation papers and concept paper involve substantial changes of Hong Kong's overall listing framework, which may affect IPO vetting process and publication requirements of IPO applicants and listing companies in Hong Kong and thus impose uncertainties on the business prospects of the Group.

It is expected that the intensified competition in the industry may continue in the near future, which could have a negative impact on the business growth of the Group.

Nevertheless, leveraging our listing status and our newly renovated headquarters, the Group will continue to adhere to its business strategy to expand our customer base of companies listed on the Stock Exchange and further penetrate the market of debt offering circulars and IPO prospectuses through developing our business relationships with intermediaries.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK$99.8 million for the year ended 31 March 2016 to approximately HK$128.9 million for the year ended 31 March 2017, representing an increase of approximately 29.2%. The increase was primarily attributable to the increase in revenue from results announcements and financial reports segment amounting to approximately HK$10.2 million, increase in revenue from company announcements and shareholder circulars segment amounting to approximately HK$5.5 million, increase in revenue from debt offering circulars and IPO prospectuses segment amounting to approximately HK$10.8 million and increase in revenue from others segment amounting to approximately HK$3.8 million, which have been partly offset by the decrease in revenue form fund documents segment amounting to approximately HK$1.2 million.

Note:

According to statistics from the Stock Exchange, post-IPO equity fund raised by listed companies in Hong Kong decrease from approximately HK$852.6 billion in 2015 to approximately HK$294.7 billion in 2016.

Cost of services

The Group's cost of services mainly include translation cost, printing cost and staff cost, which represented approximately 32.4%, 29.2% and 34.4% of the Group's total cost of services for the year ended 31 March 2017 respectively. The Group's cost of services increased from approximately HK$47.7 million for the year ended 31 March 2016 to approximately HK$59.5 million for the year ended 31 March 2017, representing an increase of approximately 24.6%.

The increase in cost of services was mainly attributable to (i) the increase in translation cost amounting to approximately HK$4.2 million; (ii) the increase in printing cost amounting to approximately HK$2.9 million; and (iii) the increase in staff cost of account & customer service and desktop publishing staff amounting to approximately HK$4.5 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$52.0 million for the year ended 31 March 2016 to approximately HK$69.4 million for the year ended 31 March 2017, representing an increase of approximately 33.3%. 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 52.1% and approximately 53.8% for the years ended 31 March 2016 and 2017 respectively, which remained relatively stable.

Other income

The Group's other income decreased from approximately HK$1.0 million for the year ended 31 March 2016 to approximately HK$3,000 for the year ended 31 March 2017. Such decrease was mainly attributable to the absence of management fee income from API for the year ended 31 March 2017 (2016: HK$0.9 million) as the Group acquired the entire equity of API on 23 March 2016.

Selling and distribution expenses

The Group's selling and distribution expenses increase from approximately HK$9.1 million for the year ended 31 March 2016 to approximately HK$12.8 million for the year ended 31 March 2017. Such increase was mainly attributable to the increase in staff cost of sales and marketing staff amounting to approximately HK$2.6 million from approximately HK$6.1 million for the year ended 31 March 2016 to approximately HK$8.7 million for the year ended 31 March 2017.

Administrative expenses

The Group's administrative expenses decrease from approximately HK$25.9 million for the year ended 31 March 2016 to approximately HK$23.6 million for the year ended 31 March 2017. Such decrease was mainly attributable to the absence of one-off listing expenses for the year ended 31 March 2017 (2016: approximately HK$10.2 million), which was partly offset by, among others, the increase in staff cost and benefits of approximately HK$2.5 million, the increase in legal and professional expenses of approximately HK$1.7 million and the increase in impairment loss of trade receivables of approximately HK$1.7 million.

Income tax expenses

The Group's income tax expenses increased from approximately HK$4.6 million for the year ended 31 March 2016 to approximately HK$5.4 million for the year ended 31 March 2017. Such increase was mainly attributable to the increase in profit before taxation, excluding the effect of non-deductible expenses.

Profit for the year

Profit after tax of the Group increase by approximately 106.2% from approximately HK$13.4 million for the year ended 31 March 2016 to approximately HK$27.6 million for the year ended 31 March 2017. The Group's net profit margin also increase from approximately 13.4% for the year ended 31 March 2016 to approximately 21.4% for the year ended 31 March 2017. Such increase were mainly attributable to the increase of revenue from approximately HK$99.8 million for the year ended 31 March 2016 to approximately HK$128.9 million for the year ended 31 March 2017 and the absence of the one-off listing expenses for the year ended 31 March 2017 (2016: approximately HK$10.2 million). 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.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 March 2016 and 31 March 2017, the Group had net current assets of approximately HK$32.1 million and HK$78.1 million respectively. As of 31 March 2016 and 31 March 2017, the Group had cash and cash equivalents of approximately HK$24.0 million and HK$66.0 million respectively. As of 31 March 2016 and 31 March 2017, 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 2016 and 31 March 2017.

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 and the section headed "Use of Net Proceeds from the Placing" in this announcement, the Group did not have other plans for material investment or capital assets as at 31 March 2017.

Actual use of net proceeds from the placing of 100,000,000 new shares of the Company (the "Placing") up to 31 March 2017 are set out in the section headed "Use of net proceeds from the Placing" below.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make any significant investments or material acquisition and disposal during the year ended 31 March 2017.

CONTINGENT LIABILITIES

As at 31 March 2016 and 2017, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2017, the Group had a total of 87 full time employees (2016: 71). For the year ended 31 March 2017, the Group incurred staff costs, including Directors' remuneration, of approximately HK$40.3 million (2016: approximately HK$30.4 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 2017, 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 2017, the Group's capital commitment amounted to approximately HK$0.4 million (2016: approximately HK$0.1 million).

CHARGES ON GROUP ASSETS

As at 31 March 2017, the Group had no charges on the Group's assets (2016: nil).

TREASURY POLICIES

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

RISK EXPOSURE

The Board believes that all the major risk factors relevant to the Group have already been listed in the section headed "Risk factors" of the Prospectus and under the section headed "Future Prospects" in this announcement. Save for disclosed herein, as of 31 March 2017 and the date of this announcement, there was no material adverse change in the general economic and market conditions in the industry in which the Group 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).

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 REPORTING PERIOD

No significant events have occurred from 31 March 2017 to the date of this announcement.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2017 (2016: nil).

USE OF NET PROCEEDS FROM THE PLACING

As disclosed in the Prospectus, the Company intended to use the net proceeds from the Placing ("Net Proceeds") for the following purposes:

– approximately 42.5% will be used for office expansion, including setting up a new office premises for API in a prime location in Central, Hong Kong;

– approximately 23.3% will be used for recruiting new staff;

– approximately 24.2% will be used for enhancing the Group's information technology systems; and

– the remaining 10.0% will be used for working capital and other general corporate purposes.

As at 31 March 2017, there is approximately HK$8.6 million of the Net Proceeds remain unutilised.

Taking into account the reasons set out below, the Board has recently resolved to change the use of approximately HK$8.6 million out of the Net Proceeds. Breakdown of the use of the proceeds as set out in the Prospectus, breakdown of the Net Proceeds utilised up to 31 March 2017 and the proposed change of use of the unutilised Net Proceeds are summarised as follows:

Proposed use of net proceeds	**Proposed amount of net proceeds to be used as stated in the prospectus (adjusted on a pro-rata basis according to the actual net proceeds)** *HK$ million (Approximately)*	**Utilised net proceeds up to 31 March 2017** *HK$ million (Approximately)*	**Estimated amount of net proceeds to be utilised up to 31 March 2018 as intended** *HK$ million (Approximately)*	**Adjusted amount of net proceeds to be utilised up to 31 March 2018** *HK$ million (Approximately)*
Office expansion	6.6	0.8	5.8	0.5
Recruiting new staff				
– Translation staff	2.9	1.0	1.9	2.7
– Other staff	0.6	0.1	0.5	3.2
Enhancing information technology system	3.7	3.3	0.4	2.2
Total:	13.8	5.2	8.6	8.6

REASONS FOR THE PROPOSED CHANGE OF USE OF NET PROCEEDS

As set out in the Prospectus, one of the business strategies of the Group has been to strengthen its business relationships with intermediaries, such as financial institutions and law firms, for referral of businesses, in particular for debt offering circulars and IPO prospectuses. In this regard, as part of the Group's expansion, it has planned to set up a new office premises in a prime location in Central, Hong Kong.

The Group has observed an increasing number of companies listing on GEM as well as small-medium sized main board listings [Note]. The Directors also observed that many such listings were conducted by small-medium sized financial intermediaries, whose offices may not be located in prime locations in Central, Hong Kong and hence, place less emphasis on the office locations of financial printing service providers.

Note:

According to statistics from the Stock Exchange, the number of new listings on GEM increased from 34 in 2015 to 45 in 2016, while the number of new listings on the main board of the Stock Exchange decreased from 104 in 2015 to 81 in 2016. Total funds raised from IPO decreased from approximately HK$263.1 billion in 2015 to approximately HK$195.3 billion in 2016.

The number of IPO projects secured by the Group for the year ended 31 March 2017 doubled as compared with that of the previous year. The Directors are of the view that the increase in projects has been underpinned by the above trends; and the listing status of the Company has helped in gaining customers' confidence. The Directors believe the Group's newly renovated existing headquarters can fulfill and serve the Group's strategy mentioned above and therefore propose the change of use of Net Proceeds, taking into account also cost efficiency.

In view of the above and in light of the future expansion of the businesses of the Group, the Company decided to reallocate unutilised Net Proceeds originally intended for office expansion of approximately HK$6.2 million to recruiting new staff and enhancing information technology system. The Directors are of the opinion that the change in use of Net Proceeds is in the best interests of the Company and its Shareholders as a whole.

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.

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 2017.

CORPORATE GOVERNANCE

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 2017, except for the deviation from CG Code provision A.2.1, the Company has complied with the CG Code. CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Two executive directors, Mr. Lam and Mr. Fong, assume roles of chief executive and supervise day-to-day management of the Group's business, while Mr. Lam is the chairman of the Board simultaneously. In view of Mr. Lam is one of the founders of the Group and has been responsible for the day-to-day operation and management of our Group since May 2002, the Board believes that it is in the best interest of our Group to have Mr. Lam taking up both roles for effective management and business development. Therefore, our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance. Notwithstanding the above, the Board is of the view that this management structure is effective for our Group's operations and sufficient checks and balances are in place.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary results announcement have been agreed by the Group's auditors, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2017. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary results announcement.

INTEREST OF COMPLIANCE ADVISER

The Company has received confirmation from its compliance adviser, Altus Capital Limited ("Altus Capital"), that as at 31 March 2017, except for the compliance adviser's agreement entered into between the Company and Altus Capital on 10 July 2015, neither Altus Capital nor its directors, employees or close associates had any interests in the Company or any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("Annual General Meeting") is scheduled to be held on 31 August 2017. The notice of Annual General Meeting will be published on the GEM website at www.hkgem.com and the Company's website at www.aplusgp.com.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 28 August 2017 to Thursday, 31 August 2017, 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 Friday, 25 August 2017.

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

Pursuant to the requirements of the GEM Listing Rules, the 2016/17 annual report of the Company will set out all information required by the GEM Listing Rules and will be published on the GEM website at www.hkgem.com and the Company's website at www.aplusgp.com on or before 30 June 2017.

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

Hong Kong, 21 June 2017

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

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