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

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8251)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 2018 together with the comparative figures for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*4*	**164,370**	128,860
Cost of services		**(74,716)**	(59,506)
Gross profit		**89,654**	69,354
Other income		**2,103**	3
Selling and distribution expenses		**(16,714)**	(12,792)
Administrative expenses		**(26,400)**	(23,553)
Profit before tax		**48,643**	33,012
Income tax expense	*6*	**(7,955)**	(5,408)
Profit and total comprehensive income attributable to the owners of the Company	*7*	**40,688**	27,604
Earnings per share *(HK cents)*			
– Basic and diluted	*8*	**10.17**	6.99

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

		2018	2017
	Notes	***HK$'000***	*HK$'000*
Non-current assets			
Plant and equipment		**8,566**	6,928
Goodwill		**11,423**	11,423
Deposits paid for acquisition of plant and equipment		**–**	1,627
Rental deposits		**–**	1,114
		19,989	21,092
Current assets			
Amounts due from customers on services contracts		**13,885**	7,208
Trade and other receivables	*10*	**31,008**	25,612
Income tax recoverable		**–**	1,425
Bank balances		**100,728**	65,950
		145,621	100,195
Current liabilities			
Trade and other payables	*11*	**23,779**	21,770
Income tax payables		**1,782**	295
		25,561	22,065
Net current assets		**120,060**	78,130
Total assets less current liabilities		**140,049**	99,222
Non-current liability			
Deferred tax liabilities		**351**	212
		139,698	99,010
Capital and reserves			
Share capital	*12*	**4,000**	4,000
Reserves		**135,698**	95,010
		139,698	99,010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

A.Plus Group Holdings Limited 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 (incorporated in the British Virgin Islands). 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 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. 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(s)”), issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle: Amendments to HKFRS 12
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

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.

New and revised HKFRSs issued but not yet effective

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[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 19	Employee Benefits[2]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 40	Transfer of Investment Property[1]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]

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

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

[3] *Effective for annual periods beginning on or after 1 January 2021.*

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

The directors of the Company anticipate that, except as described below, the application of other 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 HKFRS 9 (2014) 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.

- 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 has performed a preliminary analysis of the Group's financial instruments as at 31 March 2018 based on the fact and circumstances existing at that date. The directors of the Company have assessed the impact of adoption of HKFRS 9 (2014) on the Group's results and financial position, including the classification categories and the measurement of financial assets, and disclosures, as follows:

(a) Classification and measurement

The directors of the Company expect to continue recognising initially at fair value for all financial assets which are subsequently measured at costs. The directors of the Company anticipate that the adoption of HKFRS 9 (2014) will not have a material impact on the classification and measurement of the financial assets.

(b) Impairment

The directors of the Company expect to apply the simplified approach and record lifetime expected credit losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables. The application of the expected credit loss model may result in earlier recognition of credit losses for trade and other receivables and increase the amount of impairment allowance recognised for these items.

The directors of the Company will perform a more detailed analysis which considers all reasonable and supportable information for the estimation of the effect of adoption of HKFRS 9 (2014). Based on the preliminary assessment, the directors of the Company expect that the adoption of HKFRS 9 (2014) will not have other material impact on amounts reported in the Group's consolidated financial statements.

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 major sources of revenue of the Group are provision of financial printing services. Under HKFRS 15, revenue is recognised for each of the performance obligations when control over service is transferred to a customer. The directors of the Company have preliminarily assessed each type of the performance obligations and consider that the performance obligations are similar to the current identification of separate revenue components under HKAS 18 *Revenue*. Furthermore, HKFRS 15 requires the transaction price to be allocated to each performance obligation on a relative stand-alone selling price basis, which may affect the timing and amounts of revenue recognition, and results in more disclosures in the consolidated financial statements. The directors of the Company expect that the adoption of HKFRS 15 will not have a material impact on the timing and amounts of revenue recognised based on the existing business model of the Group as at 31 March 2018.

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 *Leases*. 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 become 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* on or before the date of initial application of HKFRS 16.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of approximately HK$1,626,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these lease unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. The directors of the Company are in the process to determine the amounts of right-of-use assets and lease liabilities to be recognised in the consolidated statement of financial position, after taking into account all practical expedients and recognition exemption under HKFRS 16. The directors of the Company expect that the adoption of HKFRS 16 will not have material impact on the Group's result but certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

4. 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:

	2018	2017
	HK$'000	*HK$'000*
Results announcements and financial reports	**73,085**	50,966
Company announcements and shareholder circulars	**48,387**	47,728
Debt offering circulars and initial public offering prospectuses	**29,454**	17,061
Fund documents	**4,078**	4,271
Others	**9,366**	8,834
	164,370	128,860

5. 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 2018 and 2017, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

6. INCOME TAX EXPENSE

	2018	2017
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**7,816**	5,054
Deferred taxation	**139**	354
	7,955	5,408

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

7. PROFIT FOR THE YEAR

	2018	2017
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Salaries, wages and other benefits	**43,745**	35,784
Contribution to defined contribution retirement benefits scheme	**1,175**	975
Total staff costs (excluding directors' remuneration)	**44,920**	36,759
Auditor's remuneration	**680**	670
Depreciation of plant and equipment	**3,582**	1,569
Impairment loss of trade receivables (included in administrative expenses)	**1,679**	2,151
Operating lease charges in respect of office premises and certain office equipment	**4,189**	3,791

8. EARNINGS PER SHARE

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

	2018	2017
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**40,688**	27,604

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**400,000**	395,068

The weighted average number of ordinary shares in issue during the year ended 31 March 2017 had been adjusted for the effect of the capitalisation issue.

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 2018 and 2017.

9. DIVIDEND

Subsequent to the end of the reporting period, a final dividend of HK2.5 cents per share in respect of the year ended 31 March 2018 (2017: nil) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting and has not been recognised as a liability as at 31 March 2018.

10. TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**31,830**	26,923
Less: Allowance for impairment of trade receivables	**(2,996)**	(3,170)
	28,834	23,753
Prepayments	**257**	767
Deposits	**1,917**	1,092
Trade and other receivables	**31,008**	25,612

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.

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**17,063**	12,879
31 to 60 days	**4,531**	4,746
61 to 90 days	**1,367**	1,622
Over 90 days	**5,873**	4,506
Total	**28,834**	23,753

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of approximately HK$11,771,000 (2017: HK$10,874,000) 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:

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**4,531**	4,746
31 to 60 days	**1,367**	1,622
Over 60 days	**5,873**	4,506
Total	**11,771**	10,874

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

	2018	2017
	HK$'000	*HK$'000*
At the beginning of the year	**3,170**	1,020
Impairment loss recognised	**1,679**	2,151
Reversal of impairment loss	**(1,853)**	(1)
At the end of the year	**2,996**	3,170

Included in the allowance for impairment of trade receivables are individually impaired trade receivables with an aggregate balance of approximately HK$2,996,000 (2017: HK$3,170,000) 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 (2018: nil) was prepayment to a related company in relation to the provision of translation services. The service agreement in relation to these transactions was terminated on 28 December 2017.

11. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**8,190**	8,594
Customer deposit	**4,841**	3,909
Accrued bonus and commission	**7,715**	5,240
Accruals	**3,033**	4,027
Trade and other payables	**23,779**	21,770

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

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**6,363**	6,812
31 to 60 days	**1,007**	1,260
61 to 90 days	**–**	64
Over 90 days	**820**	458
Trade payables	**8,190**	8,594

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.

12. SHARE CAPITAL

	Number of Ordinary shares	Share capital
		HK$
Ordinary share of HK$0.01 each		
Authorised:		
At 1 April 2016, 31 March 2017 and 2018	8,000,000,000	80,000,000
Issued and fully paid:		
At 1 April 2016	100,000	1,000
Issue of new shares upon completion of reorganisation *(note a)*	299,900,000	2,999,000
Issue of new shares upon listing *(note a)*	100,000,000	1,000,000
At 31 March 2017 and 2018	400,000,000	4,000,000

Notes:

(a) 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 of 100,000,000 new shares of the Company upon the listing of the shares of the Company on GEM (the "Placing"). The gross total proceeds from the 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 the Placing.

(b) 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 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 segment is derived from companies listed on the Stock Exchange as they are required to publish such documents periodically.

For the year ended 31 March 2018, revenue generated from this segment amounted to approximately HK$73.1 million, representing an increase of approximately 43.4% as compared with approximately HK$51.0 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 2018. For the years ended 31 March 2018 and 2017, the revenue generated from this segment represented approximately 44.5% and 39.6% of the Group's total revenue respectively.

Company announcements and shareholder circulars

Revenue generated from company announcements and shareholder circulars segment 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 2018, revenue generated from this segment amounted to approximately HK$48.4 million, which remained relatively stable as compared with approximately HK$47.7 million in the previous year. For the years ended 31 March 2018 and 2017, the revenue generated from this segment represented approximately 29.4% and 37.0% of the Group's total revenue respectively.

Debt offering circulars and IPO prospectuses

Revenue generated from debt offering circulars and IPO prospectuses 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 2018, revenue generated from this segment amounted to approximately HK$29.5 million, representing an increase of approximately 72.6% as compared with approximately HK$17.1 million in the previous year, which was mainly attributable to the increase in the number of debt offering circulars projects and successful IPO prospectus projects handled by the Group during the year ended 31 March 2018. For the years ended 31 March 2018 and 2017, the revenue generated from this segment represented approximately 17.9% and 13.2% 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 2018, revenue generated from this segment amounted to approximately HK$4.1 million, which remained relatively stable as compared with approximately HK$4.3 million in the previous year. For the years ended 31 March 2018 and 2017, the revenue generated from this segment represented approximately 2.5% and 3.3% 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 2018, revenue generated from this segment amounted to approximately HK$9.4 million, representing an increase of approximately 6.0% as compared with approximately HK$8.8 million in the previous year. For the years ended 31 March 2018 and 2017, the revenue generated from this segment represented approximately 5.7% and 6.9% of the Group's total revenue respectively.

FUTURE PROSPECTS

As the global economy has been growing gently in recent years, it is expected that the financial market in Hong Kong will continue to remain stable in the coming years. With the increasing number of listed companies in Hong Kong, we see business opportunities in providing financial printing services. We are, therefore, optimistic about the future prospects of the business of the Group.

Leveraging on our listing status and our competitive advantages, the Group will continue to adhere to its business strategy and target 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$128.9 million for the year ended 31 March 2017 to approximately HK$164.4 million for the year ended 31 March 2018, representing an increase of approximately 27.6%. The increase was primarily attributable to the increase in revenue from results announcements and financial reports segment amounting to approximately HK$22.1 million and increase in revenue from debt offering circulars and IPO prospectuses segment amounting to approximately HK$12.4 million.

Cost of services

The Group's cost of services mainly include translation cost, printing cost and staff cost, which represented approximately 32.9%, 27.9% and 34.5% of the Group's total cost of services for the year ended 31 March 2018 respectively. The Group's cost of services increased from approximately HK$59.5 million for the year ended 31 March 2017 to approximately HK$74.7 million for the year ended 31 March 2018, representing an increase of approximately 25.6%.

The increase in cost of services was mainly attributable to (i) the increase in translation cost amounting to approximately HK$5.3 million; (ii) the increase in printing cost amounting to approximately HK$3.4 million; and (iii) the increase in staff cost of account & customer service, desktop publishing and in-house translation staff amounting to approximately HK$5.3 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$69.4 million for the year ended 31 March 2017 to approximately HK$89.7 million for the year ended 31 March 2018, representing an increase of approximately 29.3%. Such increase was mainly attributable to the increase in revenue generated from the results announcements and financial reports segment and debt offering circulars and IPO prospectuses segment. The Group's gross profit margin was approximately 53.8% and approximately 54.5% for the years ended 31 March 2017 and 2018 respectively, which remained relatively stable.

Other income

The Group's other income increased from approximately HK$3,000 for the year ended 31 March 2017 to approximately HK$2.1 million for the year ended 31 March 2018. Such increase was mainly attributable to the recovery of impairment loss of trade receivables amounting to approximately HK$1.9 million for the year ended 31 March 2018 (2017: approximately HK$1,000).

Selling and distribution expenses

The Group's selling and distribution expenses increased from approximately HK$12.8 million for the year ended 31 March 2017 to approximately HK$16.7 million for the year ended 31 March 2018. Such increase was mainly attributable to the increase in staff cost of sales and marketing staff amounting to approximately HK$2.7 million from approximately HK$8.7 million for the year ended 31 March 2017 to approximately HK$11.4 million for the year ended 31 March 2018.

Administrative expenses

The Group's administrative expenses increased from approximately HK$23.6 million for the year ended 31 March 2017 to approximately HK$26.4 million for the year ended 31 March 2018. Such increase was mainly attributable to the increase in depreciation expenses of approximately HK$2.0 million.

Income tax expenses

The Group's income tax expenses increased from approximately HK$5.4 million for the year ended 31 March 2017 to approximately HK$8.0 million for the year ended 31 March 2018. Such increase was mainly attributable to the increase in profit before taxation.

Profit for the year

Profit after tax of the Group increased by approximately 47.4% from approximately HK$27.6 million for the year ended 31 March 2017 to approximately HK$40.7 million for the year ended 31 March 2018, and the net profit margin of the Group also increased from approximately 21.4% for the year ended 31 March 2017 to approximately 24.8% for the year ended 31 March 2018. Such increases were mainly attributable to the increase of revenue from approximately HK$128.9 million for the year ended 31 March 2017 to approximately HK$164.4 million for the year ended 31 March 2018.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 March 2017 and 31 March 2018, the Group had net current assets of approximately HK$78.1 million and HK$120.1 million respectively. As of 31 March 2017 and 31 March 2018, the Group had cash and cash equivalents of approximately HK$66.0 million and HK$100.7 million respectively. As of 31 March 2017 and 31 March 2018, 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 2017 and 31 March 2018.

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 Placing.

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 (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 2018.

Actual use of net proceeds from the Placing up to 31 March 2018 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 2018.

CONTINGENT LIABILITIES

As at 31 March 2017 and 2018, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group had a total of 101 full time employees (31 March 2017: 87). For the year ended 31 March 2018, the Group incurred staff costs, including Directors' remuneration, of approximately HK$48.6 million (2017: approximately HK$40.3 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 organising company-wide staff and family activities such as staff tours and annual dinners. In addition, the Group also sponsors team-building events for various departments.

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

During the year ended 31 March 2018, 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 2018, the Group has no capital commitment (2017: approximately HK$0.4 million).

CHARGES ON GROUP ASSETS

As at 31 March 2018, the Group had no charges on the Group's assets (2017: 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 2018 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 2018 to the date of this announcement.

DIVIDENDS

The Board recommended the payment of a final dividend of HK2.5 cents (2017: nil) per share for the year ended 31 March 2018, payable to Shareholders whose names appear on the register of members of the Company on 7 September 2018. Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be paid on 28 September 2018.

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 disclosed in the announcement of the Company dated 21 June 2017, 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.

As at 31 March 2018, there is approximately HK$0.4 million of the Net Proceeds remain unutilised and such balance was deposited in a licensed bank in Hong Kong.

Breakdown of the Net Proceeds utilised up to 31 March 2018 and the unutilised Net Proceeds as at 31 March 2018 are summarised as follows:

Proposed use of net proceeds	**Proposed amount of Net Proceeds (adjusted by the change of use of Net Proceeds as disclosed in the announcement of the Company dated 21 June 2017)** *HK$ million (Approximately)*	**Utilised Net Proceeds up to 31 March 2018** *HK$ million (Approximately)*	**Unutilised Net Proceeds as at 31 March 2018** *HK$ million (Approximately)*
Office expansion	1.3	1.2	0.1
Recruiting new staff			
– Translation staff	3.7	3.4	0.3
– Other staff	3.3	3.3	–
Enhancing information technology system	5.5	5.5	–
General working capital	1.5	1.5	–
Total:	15.3	14.9	0.4

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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 2018.

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the Corporate Governance Code (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 2018, the Company has complied with the code provisions as set out in the CG Code, except for the deviation from CG Code provision A.2.1. 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. The Company did not have chief executive officer for the year ended 31 March 2018 until the redesignation of Mr. Fong Wing Kong to the chief executive officer of the Company with effect from 10 August 2017 (for details, please refer to the announcement of the Company dated 10 August 2017 in relation to, among others, redesignation of chief executive officer).

REVIEW BY AUDIT COMMITTEE

This results announcement of the Group for the year ended 31 March 2018 have been reviewed by the audit committee of the Company.

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 2018 as set out in this 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 2018. 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 this 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 2018, 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 is scheduled to be held on Tuesday, 28 August 2018, the notice of which 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 FOR ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING

The register of members of the Company will be closed from Thursday, 23 August 2018 to Tuesday, 28 August 2018, 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 Wednesday, 22 August 2018.

CLOSURE OF REGISTER OF MEMBERS FOR ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND

The register of members of the Company will be closed from Tuesday, 4 September 2018 to Friday, 7 September 2018, both days inclusive, for the purposes of determining the entitlements of the Shareholders to the proposed final dividend. No transfer of shares of the Company may be registered during this period. In order to qualify for the proposed final dividend, 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, 3 September 2018.

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

Pursuant to the requirements of the GEM Listing Rules, the 2017/18 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 2018.

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

Hong Kong, 12 June 2018

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.