AP RENTALS HOLDINGS LIMITED

亞積邦租賃控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1496)

PROFIT WARNING

This announcement is made by AP Rentals Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company and potential investors that based on the latest review of the unaudited management accounts (the "**August Management Accounts**") of the Group for the five months ended 31 August 2016 ("**5M2017**"), the Group's net profit in 5M2017 has recorded a significant decline of about 65% as compared with that for the five months ended 31 August 2015 ("**5M2016**").

The Board considers that the significant decline in the net profit of the Group for 5M2017 as compared to 5M2016 is mainly attributable to:

(i) the decrease in revenue of about 18% mainly as a result of (a) the decrease in rental income from machinery in Macau which is due to the slowdown of business in Macau that the Group has experienced since October 2015 as disclosed under the section headed "Summary — Recent Developments" in the prospectus of the Company dated 24 March 2016 (the "**Prospectus**"); and (b) the decrease in trading income, which largely fluctuates with market demand based on customers' equipment needs;

(ii) the increase in depreciation expenses for the Group's owned fleet of equipment of about HK$3.8 million, due to the Group's purchase of equipment as part of its strategy to expand its rental fleet;

(iii) the adjustment of rental price charged by Kanamoto (HK) Co., Ltd (which is a wholly-owned subsidiary of Kanamoto Co., Ltd., being the Group's shareholder and strategic partner), being the Group's supplier, in February 2016 as disclosed under the section headed "Business" in the Prospectus, which has the effect of increasing the Group's machinery hiring expenses by about HK$1.6 million;

(iv) the increase in staff costs for the Group's equipment operators, technicians and truck drivers of about HK$1.2 million; and

* *For identification purposes only*

(v) the increase in administrative expenses of about HK$3.3 million mainly due to the increase in expenses for professional fees and compliance fees, audit fee, director fees and public relation expenses, following the listing of the Company in April 2016.

With reference to the August Management Accounts and based on the information currently available, the Group is expected to record a significant decline in the net profit for the six months ended 30 September 2016 as compared with that for the corresponding period in 2015.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the August Management Accounts and the information currently available to the Company. Such information has not been audited or reviewed by the auditors of the Company. Further details of the Group's performance will be disclosed in the interim results announcement of the Company for the six months ended 30 September 2016, which is expected to be published before the end of November 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
AP Rentals Holdings Limited
Lau Pong Sing
Chairman and Executive Director

Hong Kong, 18 October 2016

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Lau Pong Sing and Ms. Chan Kit Mui, Lina, one Non-executive Director, namely Mr. Kitagawa Ken and three Independent Non-executive Directors, namely Mr. Ho Chung Tai Raymond, Mr. Siu Chak Yu and Mr. Li Ping Chi.