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: 1841)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of A.Plus Group Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended 31 March 2019 together with the comparative figures for the year ended 31 March 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Revenue	4	**159,713**	164,370
Cost of services		**(73,104)**	(74,716)
Gross profit		**86,609**	89,654
Other income		**1,637**	2,103
Selling and distribution expenses		**(15,264)**	(16,714)
Administrative expenses		**(39,212)**	(26,400)
Profit before tax		**33,770**	48,643
Income tax expense	6	**(6,036)**	(7,955)
Profit and total comprehensive income attributable to the owners of the Company	7	**27,734**	40,688
Earnings per share *(HK cents)*			
– Basic and diluted	8	**6.93**	10.17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Plant and equipment		**5,619**	8,566
Goodwill		**11,423**	11,423
Rental deposits		**1,204**	–
		18,246	19,989
Current assets			
Amounts due from customers on services contracts		**–**	13,885
Contract assets		**20,012**	–
Trade and other receivables	*10*	**31,174**	31,008
Income tax recoverable		**1,255**	–
Bank balances		**116,806**	100,728
		169,247	145,621
Current liabilities			
Trade and other payables	*11*	**27,303**	23,779
Contract liabilities		**1,776**	–
Income tax payables		**895**	1,782
		29,974	25,561
Net current assets		**139,273**	120,060
Total assets less current liabilities		**157,519**	140,049
Non-current liability			
Deferred tax liabilities		**87**	351
		157,432	139,698
Capital and reserves			
Share capital	*12*	**4,000**	4,000
Reserves		**153,432**	135,698
		157,432	139,698

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

A.Plus Group Holdings Limited (the "Company") was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated 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 were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 19 April 2016. On 11 January 2019, the listing of shares was transferred from GEM to the Main Board of the Stock Exchange.

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 Company and its subsidiaries (collectively referred to as the "Group").

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied, for its first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC) – Interpretation 22	Foreign Currency Transactions and Advance Consideration

The impacts of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers have been summarised below. The application of other new and amendments to 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 the consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 superseded HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 April 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits and comparative information is not restated. Accordingly, certain comparative information may not be comparable. Details are described below.

The impact of transition to HKFRS 15 was insignificant on the retained profits at 1 April 2018.

The amount of adjustment for each financial statement line item of the consolidated statement of financial position at 1 April 2018 affected by the application of HKFRS 15 is illustrated below. Line items that were not affected by the changes have not been included.

	Notes	**Carrying amount previously reported at 31 March 2018**	**Impact on adoption of HKFRS 15 – Reclassification**	**Carrying amount as restated at 1 April 2018**
		HK$'000	*HK$'000*	*HK$'000*
Contract assets	*(a)*	–	22,294	22,294
Amounts due from customers on services contracts	*(a)*	13,885	(13,885)	–
Trade and other payables	*(a), (b)*	23,779	3,568	27,347
Contract liabilities	*(b)*	–	4,841	4,841

Notes:

(a) The Group concluded that revenue from services will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy. As the receipt of total consideration is conditional on successful completion of services, the amount of revenue and costs from services previously recognised in amounts due from customers on services contracts was reclassified to contract assets and trade and other payables at 1 April 2018 upon initial application of HKFRS 15.

(b) As at 1 April 2018, the "receipts in advance" previously included in trade and other payables was reclassified to contract liabilities.

Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 March 2019 as a result of the adoption of HKFRS 15 on 1 April 2018

The following table summarises the estimated impact of applying HKFRS 15 on the consolidated statement of financial position at 31 March 2019, by comparing the amounts reported under HKAS 11, HKAS 18 and related interpretations that were in effect before the change. Line items that were not affected by the adjustments have not been included. The adoption of HKFRS 15 did not have material impact on the Group's consolidated statement of profit or loss and other comprehensive income, and operating, investing and financing cash flows.

Impact on the consolidated statement of financial position at 31 March 2019

	As reported	**Impact on adoption of HKFRS 15**	**Amounts excluding impacts of adopting HKFRS 15**
	HK$'000	*HK$'000*	*HK$'000*
Contract assets	20,012	(20,012)	–
Amounts due from customers on services contracts	–	9,040	9,040
Trade and other payables	27,303	(9,196)	18,107
Contract liabilities	1,776	(1,776)	–

If HKAS 18 has continued to apply to the year ended 31 March 2019 instead of HKFRS 15, except for reclassification from "contract assets" and "trade and other payables" to "amounts due from customers on services contracts" and reclassification from "contract liabilities" to "trade and other payables", there would be no material impact to the consolidated financial statements as at and for the year ended 31 March 2019.

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 April 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application, if any, are recognised in retained profits as at 1 April 2018.

(i) Classification and measurement of financial instruments

The directors of the Company reviewed and assessed the Group's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that all recognised financial assets and financial liabilities that are within the scope of HKFRS 9 are continued to measure at amortised cost as were previously measured under HKAS 39.

(ii) Loss allowance for expected credit losses ("ECL")

The adoption of HKFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss model with a forward-looking expected credit loss model. As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9.

It is concluded that, as at 1 April 2018, no additional credit loss allowance has been recognised against retained profits as the estimated allowance under the ECL model were not significantly different from the impairment losses previously recognised under HKAS 39.

New and revised HKFRSs issued but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
HK(IFRIC) – Interpretation 23	Uncertainty over Income Tax Treatments[1]

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

[2] *Effective for annual periods beginning on or after 1 January 2020.*

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

[4] *Effective for business combinations and asset acquisition for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.*

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

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

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.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of approximately HK$6,372,000. The Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before the date of initial application. During the year ended 31 March 2019, the directors of the Company have estimated that right-of-use assets and lease liabilities of approximately HK$5,754,000 will be recognised at 1 April 2019 and do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in a significant impact on the Group's results.

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 Rules Governing the Listing of Securities on The Stock Exchange (the "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:

	2019	2018*
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 for the year ended 31 March 2019		
Disaggregated by major services lines:		
Results announcements and financial reports	**73,916**	73,085
Company announcements and shareholder circulars	**45,768**	48,387
Debt offering circulars and initial public offering prospectuses	**31,074**	29,454
Fund documents	**3,170**	4,078
Others	**5,785**	9,366
	159,713	164,370

* *The amounts for the year ended 31 March 2018 were recognised under HKAS 18.*

Disaggregation of revenue by timing of recognition:

	2019
	HK$'000
Timing of revenue recognition	
Over time	**159,713**

Transaction price allocated to the remaining performance obligations

The provision of financial printing service contracts are with an original expected duration of one year or less or contracts for which revenue is recognised at the amount to which the Group has the right to invoice for the services performed. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting period.

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 2019 and 2018, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

6. INCOME TAX EXPENSE

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**6,300**	7,816
Deferred taxation	**(264)**	139
	6,036	7,955

7. PROFIT FOR THE YEAR

	2019	2018
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Salaries, wages and other benefits	**44,945**	43,745
Contribution to defined contribution retirement benefits scheme	**1,317**	1,175
Total staff costs (excluding directors' remuneration)	**46,262**	44,920
Auditor's remuneration	**780**	680
Depreciation of plant and equipment	**4,213**	3,582
Impairment loss of trade receivables (included in administrative expenses)	**2,775**	1,679
Write-off of trade receivables (included in administrative expenses)	**1,184**	–
Write-off of contract assets (included in administrative expenses)	**858**	–
Operating lease charges in respect of office premises and certain office equipment	**4,587**	4,189

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:

	2019	2018
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**27,734**	40,688

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**400,000**	400,000

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2019 and 2018.

9. DIVIDEND

	2019	2018
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2018 Final – HK2.5 cents	**10,000**	–

Subsequent to the end of the reporting period, a final dividend of HK2.5 cents (2018: HK2.5 cents) per share and a special dividend of HK7.5 cents (2018: nil) per share in respect of the year ended 31 March 2019 have been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting and have not been recognised as a liability as at 31 March 2019.

10. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**34,528**	31,830
Less: Allowance for impairment of trade receivables	**(4,479)**	(2,996)
	30,049	28,834
Prepayments	**–**	257
Other receivables and deposits	**1,125**	1,917
Trade and other receivables	**31,174**	31,008

At as 31 March 2019, the gross amount of trade receivable arising from contracts with customers amounted to HK$34,528,000 (1 April 2018: HK$31,830,000).

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.

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**17,661**	17,063
31 to 60 days	**4,017**	4,531
61 to 90 days	**1,954**	1,367
91 to 180 days	**2,960**	2,540
181 to 365 days	**3,110**	2,972
Over 365 days	**347**	361
Total	**30,049**	28,834

As at 31 March 2018, included in the Group's trade receivable balances were debtors with aggregate carrying amount of approximately HK$11,771,000 which were past due as at the end of the reporting period for which the Group had not provided for impairment loss as these balances were either subsequently settled or there had not been a significant change in credit quality and the amounts were still considered recoverable.

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

	2018
	HK$'000
Within 30 days	4,531
31 to 60 days	1,367
Over 60 days	5,873
Total	11,771

Commencing from 1 April 2018, the Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The Group has made 100% provision for trade receivables of approximately HK$4,479,000 since the counterparties failed to make demanded repayment. The expected credit losses on the remaining trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. As at 31 March 2019, the identified impairment loss in respect of those remaining trade receivables was immaterial.

The movement in the allowance for impairment of trade receivables is set out below:

	2019	2018
	HK$'000	*HK$'000*
At the beginning of the year	**2,996**	3,170
Write-off recognised during the year	**(545)**	–
Impairment loss recognised	**2,775**	1,679
Reversal of impairment loss	**(747)**	(1,853)
At the end of the year	**4,479**	2,996

The significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance, which was due to the increase in days past due over 90 days resulted in an increase in loss allowance of HK$2,775,000.

As at 31 March 2018, included in the allowance for impairment of trade receivables were individually impaired trade receivables with an aggregate balance of approximately HK$2,996,000 which had been impaired based on the credit history of its customers' financial difficulties or default in payments, and current market conditions.

11. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**18,263**	8,190
Customer deposit	**–**	4,841
Accrued bonus and commission	**5,397**	7,715
Accruals	**3,643**	3,033
Trade and other payables	**27,303**	23,779

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

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**16,897**	6,363
31 to 60 days	**1,001**	1,007
61 to 90 days	**–**	–
Over 90 days	**365**	820
Trade payables	**18,263**	8,190

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 2017, 31 March 2018 and 2019	8,000,000,000	80,000,000
Issued and fully paid:		
At 1 April 2017, 31 March 2018 and 2019	400,000,000	4,000,000

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 2019, revenue generated from this segment amounted to approximately HK$73.9 million, which remained relatively stable as compared with approximately HK$73.1 million in the previous year. For the years ended 31 March 2019 and 2018, the revenue generated from this segment represented approximately 46.3% and 44.5% 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 2019, revenue generated from this segment amounted to approximately HK$45.8 million, representing a decrease of approximately 5.4% as compared with approximately HK$48.4 million in the previous year, which was mainly attributable to decrease in market demand for services in relation to the publication of shareholder circulars due to listed companies in Hong Kong becoming more reluctant in conducting corporate actions amid the uncertainties in the global economy and the Hong Kong financial market. For the years ended 31 March 2019 and 2018, the revenue generated from this segment represented approximately 28.7% and 29.4% 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 2019, revenue generated from this segment amounted to approximately HK$31.1 million, representing an increase of approximately 5.5% as compared with approximately HK$29.5 million in the previous year, which was mainly attributable to the increase in the number of IPO prospectus projects handled by the Group during the year ended 31 March 2019. For the years ended 31 March 2019 and 2018, the revenue generated from this segment represented approximately 19.5% and 17.9% 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 2019, revenue generated from this segment amounted to approximately HK$3.2 million, representing a decrease of approximately 22.3% as compared with approximately HK$4.1 million in the previous year. For the years ended 31 March 2019 and 2018, the revenue generated from this segment represented approximately 2.0% and 2.5% 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 2019, revenue generated from this segment amounted to approximately HK$5.8 million, representing a decrease of approximately 38.2% as compared with approximately HK$9.4 million in the previous year which was mainly attributable to decrease in market demand for other services such as standalone translations, design and production of different types of reports, newsletters, leaflets, brochures, etc. as a result of uncertainties in the global economy and the Hong Kong financial market. For the years ended 31 March 2019 and 2018, the revenue generated from this segment represented approximately 3.6% and 5.7% of the Group's total revenue respectively.

FUTURE PROSPECTS

Looking forward, certain uncertainties in the global economy, especially for those in relation to the Sino-US trade war, may have an adverse impact on the Hong Kong financial market. The weak market sentiment may continue to discourage listed companies in Hong Kong from conducting fund raising activities and corporate actions, coupled with potential modification of the regulatory regime of listed companies in Hong Kong, the demand for financial printing services, in particular those relating to shareholder circulars, may be affected, which may in turn have a negative impact on the business of the Group. On the other hand, the competition in the industry is expected to remain intense in the foreseeable future, exerting pressure on the revenue and gross profit margin of the Group.

Notwithstanding the above unfavourable conditions, the Group will continue to leveraging on its competitive advantages to further expand our customer base and penetrate the market with a view to maximise the return to our shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately HK$164.4 million for the year ended 31 March 2018 to approximately HK$159.7 million for the year ended 31 March 2019, representing a decrease of approximately 2.8%. The decrease was primarily attributable to the decrease in revenue from company announcements and shareholder circulars segment amounting to approximately HK$2.6 million and decrease in revenue from others segment amounting to approximately HK$3.6 million, such decreases was partly offset by the increase in revenue from debt offering circulars and IPO prospectuses segment amounting to approximately HK$1.6 million.

Cost of services

The Group's cost of services mainly include translation cost, printing cost and staff cost, which represented approximately 36.9%, 23.5% and 36.8% of the Group's total cost of services for the year ended 31 March 2019 respectively. The Group's cost of services decreased from approximately HK$74.7 million for the year ended 31 March 2018 to approximately HK$73.1 million for the year ended 31 March 2019, representing a decrease of approximately 2.2%.

The decrease in cost of services was mainly attributable to (i) the decrease in printing cost amounting to approximately HK$3.7 million; (ii) the decrease in other cost amounting to approximately HK$1.4 million, and partly offset by the increase in translation cost of approximately HK$2.4 million and the increase in staff cost amounting to approximately HK$1.1 million. Such decrease was generally in line with the decrease in the Group's revenue during the year.

Gross profit

The Group's gross profit decreased from approximately HK$89.7 million for the year ended 31 March 2018 to approximately HK$86.6 million for the year ended 31 March 2019, representing a decrease of approximately 3.4%. Such decrease was mainly attributable to the decrease in revenue from company announcements and shareholder circulars segment and decrease in revenue from others segment, such decreases was partly offset by the increase in revenue from debt offering circulars and IPO prospectuses segment. The Group's gross profit margin was approximately 54.5% and approximately 54.2% for the years ended 31 March 2018 and 2019 respectively, which remained relatively stable.

Other income

The Group's other income for the year ended 31 March 2019 was approximately HK$1.6 million, which remained relatively stable as compared with approximately HK$2.1 million for the year ended 31 March 2018.

Selling and distribution expenses

The Group's selling and distribution expenses decreased from approximately HK$16.7 million for the year ended 31 March 2018 to approximately HK$15.3 million for the year ended 31 March 2019. Such decrease was mainly attributable to the decrease in staff cost of sales and marketing staff amounting to approximately HK$1.8 million from approximately HK$11.4 million for the year ended 31 March 2018 to approximately HK$9.6 million for the year ended 31 March 2019.

Administrative expenses

The Group's administrative expenses increased from approximately HK$26.4 million for the year ended 31 March 2018 to approximately HK$39.2 million for the year ended 31 March 2019. Such increase was mainly attributable to (i) the one-off expenses in connection with the transfer of listing of the shares of the Company from GEM to the Main Board of the Stock Exchange (the "Transfer") of approximately HK$4.5 million ; (ii) the increase in impairment loss of trade receivables, write-off of trade receivables and write-off of contract assets of approximately HK$3.1 million from approximately HK$1.7 million for the year ended 31 March 2018 to approximately HK$4.8 million for the year ended 31 March 2019; and (iii) the increase in staff costs (including directors remuneration) of approximately HK$2.7 million from approximately HK$11.4 million for the year ended 31 March 2018 to approximately HK$14.1 million for the year ended 31 March 2019.

Income tax expenses

The Group's income tax expenses decreased from approximately HK$8.0 million for the year ended 31 March 2018 to approximately HK$6.0 million for the year ended 31 March 2019. Such decrease was mainly attributable to the decrease in profit before taxation and the implementation of the two-tiered profits tax rates regime from 1 April 2018 onwards in which Hong Kong Profits tax for the year ended 31 March 2019 is calculated at 8.25% on the first HK$2,000,000 and 16.5% of the remaining balance (2018: 16.5%) of estimated assessable profits for the year.

Profit for the year

Profit after tax of the Group decreased by approximately 31.8% from approximately HK$40.7 million for the year ended 31 March 2018 to approximately HK$27.7 million for the year ended 31 March 2019, and the net profit margin of the Group also decreased from approximately 24.8% for the year ended 31 March 2018 to approximately 17.4% for the year ended 31 March 2019. Such decreases were mainly attributable to (i) the incurrence of the one-off expenses in connection with the Transfer during the year ended 31 March 2019; (ii) a decrease in revenue mainly resulting from the uncertainties in the global economy and the Hong Kong financial market; (iii) increases in the average number of staff from 94 for the year ended 31 March 2018 to 99 for the year ended 31 March 2019 and staff costs; and (iv) increase in impairment loss of trade receivables, write-off of trade receivables and write-off of contract assets.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 March 2018 and 31 March 2019, the Group had net current assets of approximately HK$120.1 million and HK$139.3 million respectively. As of 31 March 2018 and 31 March 2019, the Group had cash and cash equivalents of approximately HK$100.7 million and HK$116.8 million respectively. As of 31 March 2018 and 31 March 2019, 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 2018 and 31 March 2019.

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

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group did not have other plans for material investment or capital assets as at 31 March 2019.

Actual use of the net proceeds ("Net Proceeds") from the placing of 100,000,000 new shares of the Company upon the listing of the shares of the Company on GEM (the "Placing") up to 31 March 2019 are set out in the section headed "Use of Net Proceeds from the Placing" on pages 26 to 27 of this announcement.

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 2019.

CONTINGENT LIABILITIES

As at 31 March 2018 and 2019, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group had a total of 102 full time employees (31 March 2018: 101) and the average number of staff increased from 94 for the year ended 31 March 2018 to 99 for the year ended 31 March 2019. For the year ended 31 March 2019, the Group incurred staff costs, including Directors' remuneration, of approximately HK$50.7 million (2018: approximately HK$48.5 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 2019, 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 2019, the Group has no capital commitment (2018: nil).

CHARGES ON GROUP ASSETS

As at 31 March 2019, the Group had no charges on the Group's assets (2018: 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 of the Company dated 31 March 2016 (the "Prospectus"). Save as disclosed herein, as of 31 March 2019 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 2019 to the date of this announcement.

DIVIDENDS

The Board recommends a final dividend of HK2.5 cents (2018: HK2.5 cents) per share of the Company and a special dividend of HK7.5 cents (2018: Nil) per share of the Company for the year ended 31 March 2019. The special dividend is recommended after taking into consideration of the following factors: (i) to reward the Shareholders for their continuous support to the Group; (ii) the proportion of cash held by the Group is relatively high. After distributing the special dividend, the Company will continue to have sufficient working capital for its operation for at least the next 12 months from the date of this announcement; (iii) Under the current Hong Kong stock market conditions and the geo-political challenges, the Company has taken a prudent approach for its future expansion and there is no plan for material investment or acquisition in the short and medium term.

Subject to the approval of Shareholders at the forthcoming annual general meeting, the final dividend and special dividend will be paid on 19 September 2019 to Shareholders whose names appear on the register of members of the Company on 29 August 2019.

USE OF NET PROCEEDS FROM THE PLACING

As disclosed in the Prospectus, the Company intended to use the 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.

There is no unutilised Net Proceeds as at 31 March 2019.

Breakdown of the Net Proceeds utilised up to 31 March 2019 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)**	**Utilised Net Proceeds up to 31 March 2019**	**Unutilised Net Proceeds as at 31 March 2019**
	HK$ million (Approximately)	*HK$ million (Approximately)*	*HK$ million (Approximately)*
Office expansion	1.3	1.3	–
Recruiting new staff			
– Translation staff	3.7	3.7	–
– Other staff	3.3	3.3	–
Enhancing information technology system	5.5	5.5	–
General working capital	1.5	1.5	–
Total:	15.3	15.3	–

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 2019.

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the corporate governance code (the "CG Code") contained in Appendix 14 to the Listing Rules and the CG Code set out in Appendix 15 to the GEM Listing Rules, which were respectively applicable during the relevant periods after and prior to the Transfer. During the year ended 31 March 2019, the Company has complied with all the code provisions as set out in the CG Code.

REVIEW BY AUDIT COMMITTEE

This results announcement of the Group for the year ended 31 March 2019 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 2019 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 2019. 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 2019, 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 Monday, 19 August 2019, the notice of which will be published on the Stock Exchange's website at www.hkexnews.hk 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 Wednesday, 14 August 2019 to Monday, 19 August 2019, 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 transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which address will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019) not later than 4:30 p.m. on Tuesday, 13 August 2019 for registration.

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

The register of members of the Company will be closed from Monday, 26 August 2019 to Thursday, 29 August 2019, both days inclusive, for the purposes of determining the entitlements of the Shareholders to the proposed final dividend and special dividend. No transfer of shares of the Company will be registered during this period. In order to qualify for the proposed final dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which address will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019) not later than 4:30 p.m. on Friday, 23 August 2019 for registration.

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

Pursuant to the requirements of the Listing Rules, the 2018/19 annual report of the Company will set out all information required by the Listing Rules and will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.aplusgp.com on or before 31 July 2019.

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

Hong Kong, 27 June 2019

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