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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 ALERT

This announcement is made by AP Rentals Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2022 (the “**September 2022 Management Accounts**”), the Group expects to record an unaudited consolidated net profit for the six months ended 30 September 2022 (“**1H2023**”) in the range of approximately HK\$6.5 million to approximately HK\$7.5 million as compared to an unaudited consolidated net profit for the six months ended 30 September 2021 (“**1H2022**”) of approximately HK\$0.1 million.

Based on the information currently available to the Board, the expected significant increase in the unaudited consolidated net profit for 1H2023 as compared to that of 1H2022 is mainly attributable to the net effect of:

1. significant increase in leasing income of equipment and income from equipment operating services by providing equipment operators in 1H2023 as compared to that of 1H2022 due to increase in demand on leasing of equipment from the construction works and from event related business;
2. the receiving of government subsidies from the governments of Hong Kong and Macau related to the COVID-19 pandemic in 1H2023 (1H2022: Nil), which represent the wage subsidies provided by the governments of Hong Kong and Macau for supporting the employment and helping business tide over financial difficulties due to the COVID-19 pandemic;

* *For identification purpose only*

3. significant increase in impairment losses under expected credit loss model recognised on lease receivables and trade receivables, net (“**ECL Provision**”) due to increase in ECL Provision made under individual assessment for some accounts related to the customers working for projects on the third runway of Hong Kong International Airport and under collective assessment for remaining customers due to the increase in expected default risk, which might be caused by the increase in interest rates and inflation rates globally; and
4. increase in salary and wage due to increase in income from equipment operating services.

The Company is still in the process of preparing the interim results of the Group for 1H2023. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available to the Company, including the September 2022 Management Accounts, which has neither been audited or reviewed by the auditor of the Company, nor confirmed by the audit committee of the Company, and may be subject to adjustments. Further details of the Group’s performance for 1H2023 will be disclosed in the interim results announcement of the Company for the six months ended 30 September 2022, which is expected to be published before the end of November 2022.

Shareholders of the Company 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, 10 November 2022

As at the date of this announcement, the Board comprises: (1) Mr. Lau Pong Sing and Ms. Chan Kit Mui, Lina, as the executive directors of the Company; (2) Mr. Nakazawa Tomokatsu as the non-executive director of the Company; and (3) Mr. Li Ping Chi, Mr. Siu Chak Yu and Mr. Ho Chung Tai, Raymond as the independent non-executive directors of the Company.