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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 2024

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 2024 together with the comparative figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	4	125,070	128,923
Cost of services		(67,312)	(65,471)
Gross profit		57,758	63,452
Other income		3,391	10,558
Selling and distribution expenses		(19,223)	(17,412)
Administrative expenses		(30,283)	(29,570)
Impairment loss of trade receivables	10	(1,723)	(3,747)
Finance cost		(325)	(129)
Profit before tax		9,595	23,152
Income tax expense	6	(982)	(3,161)
Profit attributable to the owners of the Company	7	8,613	19,991
Earnings per share (<i>HK cents</i>)			
– Basic and diluted	8	2.15	5.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		946	3,994
Right-of-use assets		6,033	1,415
Goodwill		11,423	11,423
Rental deposits		1,519	–
Deferred tax asset		294	94
		<u>20,215</u>	<u>16,926</u>
Current assets			
Contract assets		16,739	16,716
Trade and other receivables	<i>10</i>	28,628	24,914
Income tax recoverable		36	178
Bank balances		78,285	68,466
		<u>123,688</u>	<u>110,274</u>
Current liabilities			
Trade and other payables	<i>11</i>	24,819	21,643
Contract liabilities		2,501	2,344
Lease liabilities		4,549	1,686
Income tax payable		1,149	845
		<u>33,018</u>	<u>26,518</u>
Net current assets		<u>90,670</u>	<u>83,756</u>
Total assets less current liabilities		<u>110,885</u>	<u>100,682</u>
Non-current liability			
Lease liabilities		<u>1,590</u>	–
		<u>109,295</u>	<u>100,682</u>
Capital and reserves			
Share capital	<i>12</i>	4,000	4,000
Reserves		105,295	96,682
		<u>109,295</u>	<u>100,682</u>

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) (now known as the Companies Act (2021 Revision)) of the Cayman Islands as an exempted company with limited liability on 20 April 2015. 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**”) on 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)**”) AND CHANGES IN OTHER ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 1 April 2023.

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group’s financial performance and positions, but has affected the disclosures of accounting policies.

Impact on application of Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the consolidated financial statements of the Group.

Impact on application of Amendments to HKAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

There was no impact on the consolidated statement of financial position because the related deferred tax balances qualify for offsetting under HKAS 12. There was no impact on the opening retained profits as at 1 April 2023.

New HKICPA guidance on the accounting implications of the abolition of the mandatory provident fund (“MPF”) – long service payment (“LSP”) offsetting mechanism

In June 2022, the Hong Kong SAR Government (the “**Government**”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”), which will come into effect from 1 May 2025 (the “**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to MPF scheme to reduce the LSP in respect of an employee’s service from the Transition Date (the abolition of the “**offsetting mechanism**”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

The Group has considered the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. Historically, the Group accounted for the offsetting mechanism by applying the practical expedient in HKAS 19.93(b). Based on the HKICPA guidance, upon the enactment of the Amendment Ordinance in June 2022, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying HKAS19.93(a).

The Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. There is no material impact on the Group’s results and financial position for the current or prior periods.

Amendments to HKFRSs issued but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ *Effective for annual periods beginning on or after 1 January 2024.*

² *Effective for annual periods beginning on or after 1 January 2025.*

³ *Effective for annual periods beginning on or after a date to be determined.*

The directors of the Company anticipate that the application of amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customer within the scope of HKFRS 15:		
Disaggregated by major services lines:		
Results announcements and financial reports	63,770	69,197
Company announcements and shareholder circulars	43,039	40,152
Debt offering circulars and initial public offering prospectuses	9,380	8,400
Fund documents	1,397	4,043
Others	<u>7,484</u>	<u>7,131</u>
	<u>125,070</u>	<u>128,923</u>

Disaggregation of revenue by timing of recognition:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Timing of revenue recognition		
Over time	<u>125,070</u>	<u>128,923</u>

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 unsatisfied) 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 "Operating Segments" 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 2024 and 2023, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

6. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	1,182	3,704
Deferred taxation	<u>(200)</u>	<u>(543)</u>
	<u>982</u>	<u>3,161</u>

7. PROFIT FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Salaries, wages and other benefits	41,632	39,577
Contribution to defined contribution retirement benefits scheme	<u>1,236</u>	<u>1,285</u>
Total staff costs (excluding directors' remuneration)	<u>42,868</u>	<u>40,862</u>
Auditor's remuneration	700	700
Depreciation of plant and equipment	3,099	5,334
Depreciation of right-of-use assets	<u>4,431</u>	<u>4,244</u>

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings		
Earnings for the purpose of basic earnings per share	<u>8,613</u>	<u>19,991</u>
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>400,000</u>	<u>400,000</u>

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 2024 and 2023.

9. DIVIDEND

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2023 interim dividend – HK2.5 cents	–	10,000
2022 second interim dividend – HK5.5 cents	<u>–</u>	<u>22,000</u>
	<u>–</u>	<u>32,000</u>

During the year ended 31 March 2023, a second interim dividend of HK5.5 cents per share in respect of the year ended 31 March 2022 and an interim dividend of HK2.5 cents per share in respect of the six months ended 30 September 2022 were recognised as distribution.

The directors of the Company do not recommend the payment of any final dividend for the year ended 31 March 2024 (2023: nil).

10. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	32,170	27,461
<i>Less: Allowance for impairment of trade receivables</i>	<u>(5,362)</u>	<u>(5,556)</u>
	26,808	21,905
Other receivables, prepayments and deposits	<u>1,820</u>	<u>3,009</u>
Trade and other receivables	<u>28,628</u>	<u>24,914</u>

At as 31 March 2024, the gross amount of trade receivable arising from contracts with customers amounted to HK\$32,170,000 (2023: HK\$27,461,000).

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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	8,439	9,971
31 to 60 days	1,941	2,255
61 to 90 days	1,597	837
91 to 180 days	4,066	3,055
181 to 365 days	9,768	5,471
Over 365 days	<u>997</u>	<u>316</u>
Total	<u>26,808</u>	<u>21,905</u>

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\$5,362,000 (2023: HK\$5,556,000) since the counterparties failed to make demanded repayment. The expected credit losses on the remaining trade receivables with gross amounts of HK\$26,808,000 (2023: HK\$21,905,000) 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. No loss allowance was made on the remaining trade receivables during the years ended 31 March 2024 and 2023 as the amount was immaterial.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At the beginning of the year	5,556	8,788
Impairment loss recognised	1,723	3,747
Reversal of impairment loss	(679)	(6,839)
Amounts written off as uncollectible	<u>(1,238)</u>	<u>(140)</u>
At the end of the year	<u><u>5,362</u></u>	<u><u>5,556</u></u>

The decrease in the impairment loss recognised for the year ended 31 March 2024 is due to the improvement of the recovery from the customers. Other than this, there has been no change in the estimation techniques or significant assumptions made during the current year.

11. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	14,130	12,279
Accrued bonus and commission	5,784	4,270
Accruals	<u>4,905</u>	<u>5,094</u>
Trade and other payables	<u><u>24,819</u></u>	<u><u>21,643</u></u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	8,970	9,324
31 to 60 days	994	1,038
61 to 90 days	1,034	755
Over 90 days	<u>3,132</u>	<u>1,162</u>
Trade payables	<u><u>14,130</u></u>	<u><u>12,279</u></u>

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 '000	Share capital HK\$'000
Ordinary share of HK\$0.01 each		
<i>Authorised:</i>		
At 1 April 2022, 31 March 2023 and 2024	<u>8,000,000</u>	<u>80,000</u>
<i>Issued and fully paid:</i>		
At 1 April 2022, 31 March 2023 and 2024	<u>400,000</u>	<u>4,000</u>

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 Corporation Limited (“**API**”). APF mainly focuses on documents relating to continuous listing compliance obligations of companies listed on The Stock Exchange of the Hong Kong Limited (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 2024, revenue generated from this segment amounted to approximately HK\$63.8 million, representing a decrease of approximately 7.8% as compared with approximately HK\$69.2 million in the previous year. For the years ended 31 March 2024 and 2023, revenue generated from this segment represented approximately 51.0% and 53.7% 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 2024, revenue generated from this segment amounted to approximately HK\$43.0 million, which representing an increase of approximately 7.2% as compared with approximately HK\$40.2 million in the previous year. For the years ended 31 March 2024 and 2023, revenue generated from this segment represented approximately 34.4% and 31.1% 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 2024, revenue generated from this segment amounted to approximately HK\$9.4 million, representing an increase of approximately 11.7% as compared with approximately HK\$8.4 million in the previous year, which was mainly attributable to the increase in the number of the Group's IPO projects handled. For the years ended 31 March 2024 and 2023, revenue generated from this segment represented approximately 7.5% and 6.5% 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 2024, revenue generated from this segment amounted to approximately HK\$1.4 million, representing a decrease of approximately 65.4% as compared with approximately HK\$4.0 million in the previous year. For the years ended 31 March 2024 and 2023, the revenue generated from this segment represented approximately 1.1% and 3.1% 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 2024, revenue generated from this segment amounted to approximately HK\$7.5 million, representing an increase of approximately 4.9% as compared with approximately HK\$7.1 million in the previous year, which was mainly attributable to the increase in market demand for other services such as standalone translations, design and production of different types of reports, newsletters, leaflets, brochures, etc. For the years ended 31 March 2024 and 2023, revenue generated from this segment represented approximately 6.0% and 5.5% of the Group's total revenue respectively.

PROSPECTS

Looking ahead, the Hong Kong economy has not fully recovered from the novel coronavirus pandemic (the “COVID-19”) and the financial printing industry is expected to be clouded by uncertainties arising from industry-specific factors, such as the expansion of the paperless listing regime in Hong Kong may impose uncertainties on the business prospects of the Group. Even the governments of China and Hong Kong have uplifted the social distancing restrictions and cross-border business activities are expected to be resumed normal, the prudence and continued wait-and-see market sentiment still dampen fund-raising exercises by local listed companies, which may in turn have a negative impact on the profitability of the Group and the entire financial printing industry to a certain extent.

Amid the challenges we are facing, the Group is well prepared, both in terms of hardware and services, to capture new opportunities in the market.

FINANCIAL REVIEW

Revenue

The Group’s revenue decreased from approximately HK\$128.9 million for the year ended 31 March 2023 to approximately HK\$125.1 million for the year ended 31 March 2024, representing a decrease of approximately 3.0%. The decrease was primarily attributable to the decreases in revenue from results announcements and financial reports segment amounting to approximately HK\$5.4 million and fund documents segment amounting to approximately HK\$2.6 million. Such decreases were partly offset by the increase in revenue from company announcements and shareholder circulars segments amounting to approximately HK\$2.9 million and debt offering circulars and IPO prospectuses segment amounting to HK\$1.0 million.

Cost of services

The Group’s cost of services mainly include staff cost, translation cost and printing cost, which represented approximately 36.1%, 34.7% and 19.4% of the Group’s total cost of services for the year ended 31 March 2024 respectively. The Group’s cost of services increased from approximately HK\$65.5 million for the year ended 31 March 2023 to approximately HK\$67.3 million for the year ended 31 March 2024, representing an increase of approximately 2.8%.

Gross profit

The Group's gross profit decreased from approximately HK\$63.5 million for the year ended 31 March 2023 to approximately HK\$57.8 million for the year ended 31 March 2024, representing a decrease of approximately 9.0%.

Other income

The Group's other income for the year ended 31 March 2024 was approximately HK\$3.4 million, representing a decrease of approximately HK\$7.2 million as compared with approximately HK\$10.6 million for the year ended 31 March 2023, which was mainly attributable to the decreases in reversal of impairment loss of trade receivables and bad debt recovery of approximately HK\$6.4 million and the absence of the government grants of approximately HK\$2.1 million during the year ended 31 March 2023 in respect of COVID-19 from the Employment Support Scheme under the Anti-Epidemic Fund. Such decrease was partly offset by the increase in bank interest income of approximately HK\$1.6 million

Selling and distribution expenses

The Group's selling and distribution expenses increased from approximately HK\$17.4 million for the year ended 31 March 2023 to approximately HK\$19.2 million for the year ended 31 March 2024, representing an increase of approximately 10.4%. Such increase was mainly attributable to the increase in marketing, meals and entertainment expenses from approximately HK\$8.7 million for the year ended 31 March 2023 to approximately HK\$9.6 million for the year ended 31 March 2024.

Administrative expenses

The Group's administrative expenses for the years ended 31 March 2024 and 2023 were approximately HK\$30.3 million and approximately HK\$29.6 million respectively, which remained relatively stable.

Impairment loss of trade receivables

The Group's impairment loss of trade receivables was approximately HK\$1.7 million for the year ended 31 March 2024 and approximately HK\$3.7 million for the year ended 31 March 2023.

Finance costs

The Group's finance costs were approximately HK\$0.3 million for the year ended 31 March 2024 and approximately HK\$0.1 million for the year ended 31 March 2023.

Income tax expenses

The Group's income tax expenses decreased from approximately HK\$3.2 million for the year ended 31 March 2023 to approximately HK\$1.0 million for the year ended 31 March 2024. Such decrease was mainly attributable to the decrease of profit before tax from approximately HK\$23.2 million for the year ended 31 March 2023 to approximately HK\$9.6 million for the year ended 31 March 2024.

Profit for the year

Profit after tax of the Group decreased by approximately 56.9% from approximately HK\$20.0 million for the year ended 31 March 2023 to approximately HK\$8.6 million for the year ended 31 March 2024. Such decrease was mainly attributable to the decrease in other income of approximately HK\$7.2 million due to the decreases in reversal of impairment loss of trade receivables and bad debt recovery of approximately HK\$6.4 million and the absence of the government grants of approximately HK\$2.1 million during the year ended 31 March 2023 in respect of COVID-19 from the Employment Support Scheme under the Anti-Epidemic Fund. The net profit margin of the Group was approximately 6.9% for the year ended 31 March 2024, representing a decrease from approximately 15.5% for the year ended 31 March 2023.

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

As at 31 March 2023 and 2024, the Group had net current assets of approximately HK\$83.8 million and HK\$90.7 million respectively. As at 31 March 2023 and 2024, the Group had cash and cash equivalents of approximately HK\$68.5 million and HK\$78.3 million respectively. As at 31 March 2023 and 2024, 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) of the Group was 5.6% (2023: 1.7%) due to the increase in lease liabilities as at 31 March 2024.

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 plans for material investment or capital assets as at 31 March 2024.

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 2024.

CONTINGENT LIABILITIES

As at 31 March 2023 and 2024, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had a total of 76 full time employees (31 March 2023: 84) in Hong Kong and the average number of staff decreased from 85 for the year ended 31 March 2023 to 80 for the year ended 31 March 2024. For the year ended 31 March 2024, the Group incurred staff costs, including Directors' remuneration, of approximately HK\$53.3 million (2023: approximately HK\$48.8 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. 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 2024, 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 2024, the Group has no capital commitment (2023: nil).

CHARGES ON GROUP ASSETS

As at 31 March 2024, the Group had no charges on the Group's assets (2023: 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.

POSSIBLE RISKS EXPOSURES

Credit risk

The Group has no significant concentrations of credit risk with exposure spread over a large number of counterparties and customers. The carrying amounts of contract assets, trade and other receivables and bank balances are the Group's maximum exposure to credit risk in relation to financial assets.

In respect of bank balances, the credit risk is considered to be low as the counterparties are reputable banks with high credit ratings. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of bank balances is assessed to be close to zero.

The Group makes periodic assessment on the recoverability of the contract assets and trade and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of contract assets and trade and other receivables based on historical settlement records and past experience. There is no material credit risk inherent in the Group's outstanding balance of contract assets and trade and other receivables.

In this regard, the Directors are of the view that the Group is not exposed to a significant credit risk.

Interest rate risk

The Group is exposed to minimal interest rate risk as bank balances is the only interest-bearing asset while other financial assets and liabilities are not interest-bearing. The Group monitors the interest rate exposure on a continuous basis.

Liquidity risk

The Group is exposed to minimal liquidity risk as a substantial portion of its financial assets and financial liabilities are due within one year and it can finance its operations from existing shareholders' funds and internally generated cash flows.

For the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate to finance the Group's operations and mitigate the effect of fluctuations in cash flows. The Group monitors current and expected liquidity requirements on a regular basis.

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 EXCHANGE 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 2024 to the date of this announcement.

DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 March 2024 (2023: nil).

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 2024.

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the corporate governance code (the "CG Code") contained in Appendix C1 to the Listing Rules as its own code of corporate governance. During the year ended 31 March 2024, the Company has complied with all the code provisions as set out in the CG Code.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2024 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 2024 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 2024. 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.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Friday, 30 August 2024, 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 Tuesday, 27 August 2024 to Friday, 30 August 2024, 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, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:30 p.m. on Monday, 26 August 2024 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 2023/24 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 2024.

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

Hong Kong, 27 June 2024

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.