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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: 8251)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2018**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of A.Plus Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2018, together with the unaudited comparative figures for the corresponding period in 2017 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the three months ended 30 June 2018*

		Three months ended	
		30 June	
	Notes	2018	2017
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	42,577	47,668
Cost of services		<u>(18,176)</u>	<u>(21,540)</u>
Gross profit		24,401	26,128
Other income		199	33
Selling and distribution expenses		(2,831)	(4,270)
Administrative expenses		<u>(7,326)</u>	<u>(7,574)</u>
Profit before tax		14,443	14,317
Income tax expense	4	<u>(2,383)</u>	<u>(2,362)</u>
Profit and total comprehensive income attributable to the owners of the Company	5	<u><u>12,060</u></u>	<u><u>11,955</u></u>
Earnings per share ( <i>HK cents</i> )			
– Basic and diluted	7	<u><u>3.02</u></u>	<u><u>2.99</u></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2018

	Attributable to owners of the Company				Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note (i))	Retained profits HK\$'000	
At 1 April 2018 (audited)	4,000	35,954	(1)	99,745	139,698
Profit and total comprehensive income for the period	—	—	—	12,060	12,060
At 30 June 2018 (unaudited)	<u>4,000</u>	<u>35,954</u>	<u>(1)</u>	<u>111,805</u>	<u>151,758</u>
At 1 April 2017 (audited)	4,000	35,954	(1)	59,057	99,010
Profit and total comprehensive income for the period	—	—	—	11,955	11,955
At 30 June 2017 (unaudited)	<u>4,000</u>	<u>35,954</u>	<u>(1)</u>	<u>71,012</u>	<u>110,965</u>

Note:

- (i) Other reserve represented the difference between the nominal value of the issued share capital of the Company and share capital of A.Plus Financial Press Limited (“APF”), upon the group reorganisation on 23 March 2016.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2018*

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands as an exempted company with limited liability on 20 April 2015. Its parent and ultimate holding company is Brilliant Ray Global Limited (“Brilliant Ray”) (incorporated in the British Virgin Islands). The address of the registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the address of principal place of business of the Company is located at 2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong. The shares of the Company have been listed on the GEM of the Stock Exchange with effect from 19 April 2016.

The Company is an investment holding company. Its major operating subsidiaries are engaged in the provision of financial printing services.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Group.

## 2. BASIS OF PREPARATION

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2018 except for the adoption of new or revised Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are effective for the Group’s financial year beginning on 1 January 2018.

The Group has not adopted ahead of the effective date any new and revised HKFRSs that have been issued by the HKICPA.

The condensed consolidated financial statements have not been audited by the Company’s independent auditors, but have been reviewed by the audit committee of the Company (“Audit Committee”).

## ***Adoption of new or revised HKFRSs effective on 1 April 2018***

For the three months ended 30 June 2018, the Group has applied, for the first time, the following new amendments to HKFRSs issued by the HKICPA.

HKFRS 9 (2014)	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle <sup>1</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
HK (IFRIC) – Int 22	Foreign Currency Transaction and Advance Consideration <sup>1</sup>

<sup>1</sup> Effective for the annual period beginning on or after 1 January 2018.

The application of the above new or revised standards, amendments and interpretations for the three months ended 30 June 2018 has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

### **3. REVENUE**

Revenue represents revenue arising from provision of financial printing services in Hong Kong. An analysis of the Group's revenue for the period is as follows:

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Results announcements and financial reports	<b>20,146</b>	24,428
Company announcements and shareholder circulars	<b>15,561</b>	14,399
Debt offering circulars and initial public offering prospectuses	<b>4,374</b>	4,345
Fund documents	<b>675</b>	750
Others	<b>1,821</b>	3,746
	<b>42,577</b>	47,668

#### 4. INCOME TAX EXPENSE

	Three months ended	
	30 June	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	2,383	2,362
Deferred taxation	—	—
	<u>2,383</u>	<u>2,362</u>

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

Deferred tax assets are measured at the tax rates of 16.5% that are expected to apply in the relevant period in which the liability is settled or the asset is realised.

The Company is an exempted company incorporated in the Cayman Islands. As such, there are no taxes on individuals or corporations based upon profits, income, gains or appreciations and there are no other taxes likely to be material to the Company levied by the government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments.

#### 5. PROFIT FOR THE PERIOD

	Three months ended	
	30 June	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Salaries, wages and other benefits	9,131	11,144
Contribution to defined contribution retirement benefits scheme	333	285
Total staff costs (excluding directors' remuneration)	<u>9,464</u>	<u>11,429</u>
Directors' emoluments	1,159	1,084
Depreciation of plant and equipment	1,050	496
Impairment loss of trade receivables (included in administrative expenses)	411	—
Operating lease charges in respect of office premises and certain office equipment	<u>1,114</u>	<u>967</u>

## 6. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2018 (three months ended 30 June 2017: Nil).

## 7. EARNINGS PER SHARE

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

	Three months ended	
	30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share	<u>12,060</u>	<u>11,955</u>
	2018	2017
	'000	'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>
Basic and diluted earnings per share ( <i>HK cents</i> )	<u>3.02</u>	<u>2.99</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 three months ended 30 June 2018 and 2017.

# **MANAGEMENT DISCUSSION AND ANALYSIS**

## **BUSINESS REVIEW**

During the three months ended 30 June 2018, the Group recorded a drop in revenue of approximately 10.7% as compared to the corresponding period in 2017, which was mainly attributable to the decrease in revenue generated from the results announcements and financial reports segment by approximately HK\$4.3 million from approximately HK\$24.4 million for the three months ended 30 June 2017 to approximately HK\$20.1 million for the three months ended 30 June 2018. Such decrease was mainly attributable to the seasonal influence of the lunar new year vacation.

## **PROSPECTS**

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

Leveraging on our listing status and our competitive advantages, the Group will continue to adhere to its business strategy and target to expand our customer base of companies listed on the Stock Exchange and further penetrate the market of debt offering circulars and IPO prospectuses through developing our business relationships with intermediaries.

On 10 August 2018, the Company submitted a formal application to the Stock Exchange for the proposed transfer of listing from GEM to Main Board of the Stock Exchange (the “Proposed Transfer”). Given that (i) the definitive timetable for the Proposed Transfer has yet to be finalised; and (ii) the implementation of the Proposed Transfer is subject to certain conditions, further announcement(s) will be made to keep the shareholders of the Company and prospective investors informed of the progress of the Proposed Transfer as and when appropriate.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue decreased from approximately HK\$47.7 million for the three months ended 30 June 2017 to approximately HK\$42.6 million for the three months ended 30 June 2018, representing a decrease of approximately 10.7%. Segmentally, revenue generated from the results announcements and financial reports segment decreased by approximately HK\$4.3 million.

### **Cost of services**

The Group's cost of services mainly include translation cost, printing cost and staff cost, which represented approximately 27.8%, 33.9% and 29.4% of the Group's total cost of services for the three months ended 30 June 2018 respectively. The Group's cost of services decreased from approximately HK\$21.5 million for the three months ended 30 June 2017 to approximately HK\$18.2 million for the three months ended 30 June 2018, representing a decrease of approximately 15.6%. The decrease in cost of services was generally in line with the decrease of the Group's revenue during the period.

### **Gross profit**

The Group's gross profit decreased from approximately HK\$26.1 million for the three months ended 30 June 2017 to approximately HK\$24.4 million for the three months ended 30 June 2018, representing a decrease of approximately 6.6%. The decrease was mainly attributable to the decrease in revenue generated from the results announcements and financial reports segment.

### **Other income**

The Group's other income was approximately HK\$0.03 million and approximately HK\$0.2 million for the three months ended 30 June 2017 and 2018 respectively, which remained relatively stable.

### **Selling and distribution expenses**

The Group's selling and distribution expenses decreased from approximately HK\$4.3 million for the three months ended 30 June 2017 to approximately HK\$2.8 million for the three months ended 30 June 2018. The decrease was mainly attributable to the decrease in staff cost in relation to sales and marketing staff.

## **Administrative expenses**

The Group's administrative expenses decreased from approximately HK\$7.6 million for the three months ended 30 June 2017 to approximately HK\$7.3 million for the three months ended 30 June 2018, which remained relatively stable.

## **Income tax expenses**

The Group's income tax expenses was approximately HK\$2.4 million and approximately HK\$2.4 million for the three months ended 30 June 2017 and 2018, respectively, which remained relatively stable.

## **Profit for the period**

Profit after tax of the Group increased by approximately 0.9% or approximately HK\$0.1 million from approximately HK\$12.0 million for the three months ended 30 June 2017 to approximately HK\$12.1 million for the three months ended 30 June 2018, which remained relatively stable.

## **CONTINGENT LIABILITIES**

As at 30 June 2017 and 2018, the Group did not have any significant contingent liabilities.

## **DIVIDENDS**

The Directors do not recommend the payment of any dividend for the three months ended 30 June 2018 (2017: nil).

## **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.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2018, the interests or short positions of each of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) (the "SFO") which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules, are as follows:

### Interests in the shares of the Company

Name of directors	Long/short position	Capacity	Number of shares held	Approximate percentage of issued share capital
Mr. Lam Kim Wan	Long position	Interest in a controlled corporation ( <i>Note</i> )	233,160,000	58.3%
Mr. Fong Wing Kong	Long position	Interest in a controlled corporation ( <i>Note</i> )	233,160,000	58.3%
Mr. Yue Ming Wai, Bonaventure	Long position	Beneficial interest	580,000	0.1%

*Note:* The Shares are registered in the name of Brilliant Ray Global Limited, the entire issued share capital of which is legally and beneficially owned as to 50.0% by Mr. Lam Kim Wan and as to 50.0% by Mr. Fong Wing Kong. Under the SFO, each of Mr. Lam Kim Wan and Mr. Fong Wing Kong is deemed to be interested in 233,160,000 shares in the Company held by Brilliant Ray Global Limited.

### Interests in the shares of Brilliant Ray Global Limited (being a holding company of the Company and therefore an associated corporation)

Name of directors	Long/short position	Capacity	Number of shares held	Percentage of issued share capital
Mr. Lam Kim Wan	Long position	Beneficial interest	200	50.0%
Mr. Fong Wing Kong	Long position	Beneficial interest	200	50.0%

As at 30 June 2018, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executive of the Company had any interest or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2018, so far as known to the Directors, the following persons/entities (other than the Directors and chief executives of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

<b>Name</b>	<b>Long/short position</b>	<b>Capacity</b>	<b>Number of shares held</b>	<b>Approximate percentage of issued share capital</b>
Brilliant Ray Global Limited	Long position	Beneficial owner	233,160,000 <i>(Note 1)</i>	58.3%
Majestic Praise Enterprises Limited	Long position	Beneficial owner	24,000,000 <i>(Note 2)</i>	6.0%
Mr. Lim Boon Yew	Long position	Interest in a controlled corporation	24,000,000 <i>(Note 2)</i>	6.0%

*Notes:*

1. Brilliant Ray Global Limited is owned as to 50.0% by Mr. Lam Kim Wan and 50.0% by Mr. Fong Wing Kong. Under the SFO, each of Mr. Lam Kim Wan and Mr. Fong Wing Kong is deemed to be interested in all the 233,160,000 shares in the Company held by Brilliant Ray Global Limited.
2. Majestic Praise Enterprises Limited is wholly-owned by Mr. Lim Boon Yew. Under the SFO, Mr. Lim Boon Yew is deemed to be interested in all the 24,000,000 shares in the Company held by Majestic Praise Enterprises Limited.

Save as disclosed above, as at 30 June 2018, none of the substantial or significant shareholders of the Company or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and chief executive’s interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations” above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company conditionally adopted a share option scheme (the “Scheme”) on 23 March 2016 (“Adoption Date”) which became unconditional upon the listing of the Company on 19 April 2016 (“Listing Date”). Under the terms of the Scheme, the Board may, at its discretion, grant options to eligible participants to subscribe for shares in the Company.

No share options were granted since the Adoption Date up to 30 June 2018, and there was no share option outstanding as at 30 June 2018. As at 30 June 2018, the Company had 40,000,000 shares available for issue under the Scheme, representing 10% of the existing issued share capital of the Company as at the date of this announcement.

## **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 three months ended 30 June 2018.

## **CORPORATE GOVERNANCE**

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance since the Listing Date. During the three months ended 30 June 2018, the Company has complied with the CG Code.

## **DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS**

None of the Directors and controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) have any interest in a business that competes or may compete with the business of the Group for the three months ended 30 June 2018.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings in the securities (the "Required Standard of Dealings") as contained in Rules 5.46 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors. Having made specific enquiry, all Directors confirmed that they have complied with the Required Standard of Dealings for the three months ended 30 June 2018.

The Company has adopted the same standard of dealings in securities for its employees and for directors or employees of its subsidiaries who are likely to be in possession of unpublished inside information of the Company or its securities.

## **INTEREST OF COMPLIANCE ADVISER**

As at 30 June 2018, as notified by the Company's compliance adviser, Altus Capital Limited ("Altus Capital"), 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.

## **AUDIT COMMITTEE**

The Audit Committee was established on 23 March 2016 with the written terms of reference in compliance with the GEM Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2018, and is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

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

Hong Kong, 13 August 2018

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

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of its publication and on the Company’s website at [www.aplusgp.com](http://www.aplusgp.com).*