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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 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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 2016, together with the unaudited comparative figures for the corresponding period in 2015 as follows:

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

For the three months ended 30 June 2016

		Three months ended	
		30 June	
	Notes	2016	2015
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	39,315	26,485
Cost of services		<u>(17,634)</u>	<u>(12,991)</u>
Gross profit		21,681	13,494
Other income		115	237
Selling and distribution expenses		(3,030)	(1,713)
Administrative expenses		<u>(7,694)</u>	<u>(5,458)</u>
Profit before tax		11,072	6,560
Income tax expense	4	<u>(1,835)</u>	<u>(1,429)</u>
Profit and total comprehensive income attributable to the owners of the Company	5	<u><u>9,237</u></u>	<u><u>5,131</u></u>
Earnings per share (<i>HK cents</i>)			
– Basic and diluted	7	<u><u>2.43</u></u>	<u><u>2.04</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2016

	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 2016 (audited)	1	14,400	(1)	31,453	45,853
Profit and total comprehensive income for the period	–	–	–	9,237	9,237
Capitalisation issue (note (ii))	2,999	(2,999)	–	–	–
Issuance of new shares by way of placing (note (ii))	1,000	29,000	–	–	30,000
Transaction costs attributable to issue of new shares	–	(4,447)	–	–	(4,447)
At 30 June 2016 (unaudited)	<u>4,000</u>	<u>35,954</u>	<u>(1)</u>	<u>40,690</u>	<u>80,643</u>
At 1 April 2015 (audited)	–	–	–	36,067	36,067
Profit and total comprehensive income for the period	–	–	–	5,131	5,131
At 30 June 2015 (unaudited)	<u>–</u>	<u>–</u>	<u>–</u>	<u>41,198</u>	<u>41,198</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.
- (ii) On 18 April 2016, the Company issued a total of 100,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.30 per share as a result of the completion of the placing. The gross total proceeds from placing of HK\$30,000,000 representing the par value of HK\$1,000,000 credited to the Company’s share capital, and share premium of HK\$29,000,000, which can be used for deduction of share issuance expenses. After the share premium account of the Company being credited as a result of the placing, HK\$2,999,000 was capitalised from the share premium account and applied in paying up in full 299,900,000 shares which was allotted and issued to the then shareholders. The Company’s total number of issued shares was increased to 400,000,000 shares upon completion of placing.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

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 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

Pursuant to a group reorganisation (the “Reorganisation”), the Company became the holding company of the Group on 23 March 2016. The Company, Power Future Holdings Limited (“Power Future”), Maplehill Investments Limited (“Maplehill”) and APF, resulting from the Reorganisation, was directly and/or beneficially owned by the same beneficial owners in substantially the same proportionate ownership interests both before and after the Reorganisation. As such, this Reorganisation is effectively interspersing a shell company over Power Future, Maplehill and APF and there was a continuation of risks and benefits to the ultimate beneficial owners. Accordingly, the Reorganisation has been accounted for as a combination of entities and businesses and the unaudited condensed consolidated financial statements of the Group have been prepared and presented on the basis as if the Company has always been the holding company of Power Future, Maplehill and APF throughout the three months ended 30 June 2015. Amongst the ultimate beneficial owners, Mr. Lam Kim Wan and Mr. Fong Wing Kong are regarded as the controlling shareholders of the Group.

Upon the completion of the Reorganisation, A.Plus International Financial Press Limited (“API”) became a wholly-owned subsidiary of the Group and its financial results have been consolidated into those of the Group in accordance with Hong Kong Financial Reporting Standards with effect from 1 April 2016.

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:

	Three months ended	
	30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Results announcements and financial reports	16,958	11,648
Company announcements and shareholder circulars	13,410	12,332
Debt offering circulars and initial public offering prospectuses	4,635	243
Fund documents	1,644	1,085
Others	2,668	1,177
	<u>39,315</u>	<u>26,485</u>

4. INCOME TAX EXPENSE

	Three months ended	
	30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	1,835	1,429
Deferred taxation	<u>—</u>	<u>—</u>
	<u>1,835</u>	<u>1,429</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	
2016	2015
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)

Profit for the period has been arrived at after charging:

Salaries, wages and other benefits	8,998	6,461
Contribution to defined contribution retirement benefits scheme	<u>230</u>	<u>198</u>
Total staff costs (excluding directors' remuneration)	<u>9,228</u>	<u>6,569</u>
Directors' emoluments	1,091	609
Depreciation of plant and equipment	328	390
Impairment loss of trade receivables (included in administrative expenses)	294	–
Listing expenses	–	2,099
Operating lease charges in respect of office premises and certain office equipment	<u>689</u>	<u>634</u>

6. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2016 and 2015.

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	
2016	2015
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)

Earnings		
Earnings for the purpose of basic earnings per share	<u>9,237</u>	<u>5,131</u>

	2016 '000	2015 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><u>380,220</u></u>	<u><u>252,000</u></u>
Basic and diluted earnings per share (<i>HK cents</i>)	<u><u>2.43</u></u>	<u><u>2.04</u></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 2016 and 2015.

The weighted average number of ordinary shares in issue for the three months ended 30 June 2015 have been retrospectively adjusted for the effect of the capitalisation issue pursuant to the Reorganisation as stated in the prospectus of the Company dated 31 March 2016 as if such capitalisation issued shares were issued during the three months ended 30 June 2015 on pro rata basis.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the three months ended 30 June 2016, notwithstanding the challenges brought by the emergence of new market players, the Group achieved a revenue growth of approximately 48.4% as compared to the corresponding period in 2015, which was mainly attributable to (i) a growth of approximately 32.7% in revenue of APF for the three months ended 30 June 2016 as compare to the corresponding period in 2015 due to the successful marketing effort in expanding its customer base; and (ii) consolidation of financial results of API into the Group with effect from 1 April 2016.

FUTURE PROSPECTS

The Group is expected to experience a tougher operational environment in the future as the global economy continues to fluctuate and the global financial market is dampened by the results of the Brexit referendum. Competition in the industry has further intensified as new players enter the market, while uncertainties about the news release on IPO vetting and suitability for listing issued by the Stock Exchange and the joint consultation paper on proposed enhancement to decision making and governance structure for listing regulation issued by the Securities and Futures Commission and the Stock Exchange remain. Despite the challenging environment, the Group will adhere to its business strategy to focus on providing financial printing services to companies listed on the Stock Exchange and further penetrate the market of debt offering circulars and IPO prospectuses through developing business relationships with intermediaries.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK\$26.5 million for the three months ended 30 June 2015 to approximately HK\$39.3 million for the three months ended 30 June 2016, representing an increase of approximately 48.4%. Segmentally, revenue generated from the results announcements and financial reports segment and the debt offering circulars and IPO prospectuses segment increased by approximately HK\$5.3 million and approximately HK\$4.4 million respectively.

Cost of services

The Group's cost of services mainly include translation cost, printing cost and staff cost, which represented approximately 36.5%, 33.2% and 26.7% of the Group's total cost of services for the three months ended 30 June 2016 respectively. The Group's cost of services increased from approximately HK\$13.0 million for the three months ended 30 June 2015 to approximately HK\$17.6 million for the three months ended 30 June 2016, representing an increase of approximately 35.7%. The increase in cost of services was generally in line with the Group's revenue growth during the period.

Gross profit

The Group's gross profit increased from approximately HK\$13.5 million for the three months ended 30 June 2015 to approximately HK\$21.7 million for the three months ended 30 June 2016, representing an increase of approximately 60.7%. The increase was mainly attributable to the increase in revenue generated from the results announcement and financial reports segment and the debt offering circulars and IPO prospectuses segment.

Other income

The Group's other income was approximately HK\$0.2 million and approximately HK\$0.1 million for the three months ended 30 June 2015 and 2016 respectively, which remained relatively stable.

Selling and distribution expenses

The Group's selling and distribution expenses increased from approximately HK\$1.7 million for the three months ended 30 June 2015 to approximately HK\$3.0 million for the three months ended 30 June 2016. The increase was mainly attributable to the increase in (i) staff cost in relation to sales and marketing staff; and (ii) entertainment expenses.

Administrative expenses

The Group's administrative expenses increased from approximately HK\$5.5 million for the three months ended 30 June 2015 to approximately HK\$7.7 million for the three months ended 30 June 2016, which was mainly attributable to the increases in (i) professional and other costs in relation to the compliance with the GEM Listing Rules and other regulations applicable to the Group for maintaining the listing status; and (ii) staff cost including Directors' emoluments. Such increase was partly offset by the absence of the one-off listing expenses during the three months ended 30 June 2016 (corresponding period in 2015: approximately HK\$2.1 million).

Income tax expenses

The Group's income tax expenses increased from approximately HK\$1.4 million for the three months ended 30 June 2015 to approximately HK\$1.8 million for the three months ended 30 June 2016. The increase was mainly attributable to the increase in profit before taxation.

Profit for the period

Profit after tax of the Group increased by approximately 80.0% or approximately HK\$4.1 million from approximately HK\$5.1 million for the three months ended 30 June 2015 to approximately HK\$9.2 million for the three months ended 30 June 2016. The increase was mainly attributable to (i) the increase in revenue and profit after tax of APF during the three months ended 30 June 2016; (ii) the absence of the one-off listing expenses during the three months ended 30 June 2016 as compared with the three months ended 30 June 2015; and (iii) the consolidation of the financial results of API into the accounts of the Group with effect from 1 April 2016.

CONTINGENT LIABILITIES

As at 30 June 2015 and 2016, 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 2016 (2015: 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.

EVENTS AFTER THE BALANCE SHEET DATE

There is no significant event subsequent to 30 June 2016 which would materially affect the Group's operating and financial performance.

OTHER INFORMATION

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 2016, 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:

Interest in the shares of the Company

Name of Directors	Capacity	Number of shares held	Approximate percentage of issued share capital
Mr. Lam Kim Wan	Interest in a controlled corporation (<i>Note</i>)	233,160,000	58.3%
Mr. Fong Wing Kong	Interest in a controlled corporation (<i>Note</i>)	233,160,000	58.3%

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	Capacity	Number of shares held	Percentage of issued share capital
Mr. Lam Kim Wan	Beneficial interest	200	50.0%
Mr. Fong Wing Kong	Beneficial interest	200	50.0%

As at 30 June 2016, 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 2016, 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 2016, 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:

Name	Capacity	Number of shares held	Approximate percentage of issued share capital
Brilliant Ray Global Limited	Beneficial owner	233,160,000 <i>(Note 1)</i>	58.3%
Majestic Praise Enterprises Limited	Beneficial owner	24,000,000 <i>(Note 2)</i>	6.0%
Mr. Lim Boon Yew	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 2016, 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 2016, and there was no share option outstanding as at 30 June 2016. As at 30 June 2016, 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 SHARES

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 2016.

CORPORATE GOVERNANCE

The shares of the Company were listed on GEM of the Stock Exchange on 19 April 2016. 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 2016 and in preparation for the listing, the Company has, so far applicable, complied with the code provisions as set out in the CG Code.

DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

Save for the continuing connected transactions as disclosed in the section headed “Connected transactions” in the prospectus of the Company dated 31 March 2016, none of the Directors and controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) has any interest in a business that competes or may compete with the business of the Group since the Listing Date and up to 30 June 2016.

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 from the Listing Date up to 30 June 2016.

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 2016, as notified by the Company’s compliance adviser, Altus Capital Limited (“Altus Capital”), except for the sponsor engagement letter and the compliance adviser’s agreement entered into between the Company and Altus Capital on 2 May 2015 and 10 July 2015 respectively in connection with the listing, 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 of the Company (“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, namely Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong. The chairman of the Audit Committee is Mr. Yue Ming Wai Bonaventure. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of external auditors, to review and supervise the financial statements and material advice in respect of financial reporting process of the Group, to oversee the internal control systems of the Group and to monitor any continuing connected transactions. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2016, 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, 10 August 2016

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 for a minimum period of seven days from the date of its publication and on the Company’s website at www.aplusgp.com.