

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



# 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 2023

#### 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 2023 together with the comparative figures for the year ended 31 March 2022 as follows:

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

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	4	128,923	127,739
Cost of services		(65,471)	(63,579)
Gross profit		63,452	64,160
Other income		10,558	2,808
Selling and distribution expenses		(17,412)	(15,277)
Administrative expenses		(29,570)	(29,951)
Impairment loss of trade receivables		(3,747)	(7,624)
Finance cost		(129)	(280)
Profit before tax		23,152	13,836
Income tax expense	6	(3,161)	(2,080)
Profit attributable to the owners of the Company	7	<u>19,991</u>	<u>11,756</u>
Earnings per share ( <i>HK cents</i> )			
– Basic and diluted	8	<u>5.00</u>	<u>2.94</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT 31 MARCH 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Non-current assets</b>			
Plant and equipment		<b>3,994</b>	9,216
Right-of-use assets		<b>1,415</b>	5,659
Goodwill		<b>11,423</b>	11,423
Rental deposits		–	1,462
Deferred tax asset		<b>94</b>	–
		<hr/> <b>16,926</b> <hr/>	<hr/> 27,760 <hr/>
<b>Current assets</b>			
Contract assets		<b>16,716</b>	15,743
Trade and other receivables	<i>10</i>	<b>24,914</b>	21,516
Income tax recoverable		<b>178</b>	1,821
Bank balances		<b>68,466</b>	78,717
		<hr/> <b>110,274</b> <hr/>	<hr/> 117,797 <hr/>
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	<b>21,643</b>	24,296
Contract liabilities		<b>2,344</b>	971
Lease liabilities		<b>1,686</b>	4,615
Income tax payable		<b>845</b>	849
		<hr/> <b>26,518</b> <hr/>	<hr/> 30,731 <hr/>
Net current assets		<hr/> <b>83,756</b> <hr/>	<hr/> 87,066 <hr/>
Total assets less current liabilities		<hr/> <b>100,682</b> <hr/>	<hr/> 114,826 <hr/>
<b>Non-current liabilities</b>			
Lease liabilities		–	1,686
Deferred tax liability		–	449
		<hr/> – <hr/>	<hr/> 2,135 <hr/>
		<hr/> <b>100,682</b> <hr/>	<hr/> 112,691 <hr/>
<b>Capital and reserves</b>			
Share capital	<i>12</i>	<b>4,000</b>	4,000
Reserves		<b>96,682</b>	108,691
		<hr/> <b>100,682</b> <hr/>	<hr/> 112,691 <hr/>

# 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, details of which are set out in note 29.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and its subsidiaries (collectively referred to as the “**Group**”).

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRS(s)**”)

In the current year, the Group has applied, for the first time, the following 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 2022.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 cycle

The application of the amendments to HKFRSs in the current year has had no material effects 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.

## New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
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 <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

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

### ***Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies***

The amendments change the requirements in HKAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in HKAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Guidance and examples were provided to explain and demonstrate the application of the “four-step materiality process” described in HKFRS Practice Statement 2. The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

#### ***Amendments to HKAS 8 Definition of Accounting Estimates***

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period, with earlier application permitted.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

#### ***Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

As at 31 March 2023, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to approximately HK\$1,415,000 and HK\$1,686,000 respectively. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The Group is still in the process of assessing the full impact of the application of the amendments.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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:

	<b>2023</b>	2022
	<b>HK\$’000</b>	HK\$’000
Revenue from contracts with customer within the scope of HKFRS 15:		
Disaggregated by major services lines:		
Results announcements and financial reports	<b>69,197</b>	62,975
Company announcements and shareholder circulars	<b>40,152</b>	36,290
Debt offering circulars and initial public offering prospectuses	<b>8,400</b>	21,654
Fund documents	<b>4,043</b>	1,574
Others	<b>7,131</b>	5,246
	<b>128,923</b>	127,739

Disaggregation of revenue by timing of recognition:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Timing of revenue recognition		
Over time	<b><u>128,923</u></b>	<u>127,739</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 2023 and 2022, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

#### **6. INCOME TAX EXPENSE**

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	<b>3,704</b>	1,872
Deferred taxation	<b><u>(543)</u></b>	<u>208</u>
	<b><u>3,161</u></b>	<u>2,080</u>

## 7. PROFIT FOR THE YEAR

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Salaries, wages and other benefits	39,577	46,883
Contribution to defined contribution retirement benefits scheme	<u>1,285</u>	<u>1,350</u>
Total staff costs (excluding directors' remuneration)	<u>40,862</u>	<u>48,233</u>
Auditor's remuneration	700	700
Depreciation of plant and equipment	5,334	5,422
Depreciation of right-of-use assets	<u>4,244</u>	<u>4,245</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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share	<u>19,991</u>	<u>11,756</u>
	2023 <i>'000</i>	2022 <i>'000</i>
<b>Number of shares</b>		
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 2023 and 2022.

## 9. DIVIDEND

	2023 <i>HK\$'000</i>	2022 <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	22,000	–
2022 first interim dividend – HK2.5 cents	–	10,000
2021 final dividend – HK12.5 cents	–	50,000
	<u>32,000</u>	<u>60,000</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, a interim dividend of HK2.5 cents per share in respect of the six months ended 30 September 2022 were recognised as distribution.

During the year ended 31 March 2022, a final dividend of HK\$12.5 cents per share in respect of the year ended 31 March 2021, a first dividend of HK\$2.5 cents per share in respect of the six months ended 30 September 2021 were recognised as distribution.

The directors of the Company recommend a second interim dividend of HK5.5 cents (2023: nil) per share in respect of the year ended 31 March 2022.

The directors of the Company do not recommend the payment of any final dividend for the year ended 31 March 2023 (2022: nil).

## 10. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	27,461	28,859
<i>Less: Allowance for impairment of trade receivables</i>	<u>(5,556)</u>	<u>(8,788)</u>
	21,905	20,071
Other receivables, prepayments and deposits	<u>3,009</u>	<u>1,445</u>
Trade and other receivables	<u>24,914</u>	<u>21,516</u>

At as 31 March 2023, the gross amount of trade receivable arising from contracts with customers amounted to HK\$27,461,000 (2022: HK\$28,859,000).

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.

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>9,971</b>	12,899
31 to 60 days	<b>2,255</b>	902
61 to 90 days	<b>837</b>	3,255
91 to 180 days	<b>3,055</b>	2,049
181 to 365 days	<b>5,471</b>	656
Over 365 days	<b>316</b>	310
	<hr/>	<hr/>
Total	<b><u>21,905</u></b>	<u>20,071</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\$5,556,000 (2022: HK\$8,788,000) since the counterparties failed to make demanded repayment. The expected credit losses on the remaining trade receivables with gross amounts of HK\$21,905,000 (2022: HK\$20,071,000) 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 2023 and 2022 as the amount was immaterial.

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

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
At the beginning of the year	<b>8,788</b>	7,107
Impairment loss recognised	<b>3,747</b>	7,624
Reversal of impairment loss	<b>(6,839)</b>	(2,554)
Amounts written off as uncollectible	<b>(140)</b>	(3,389)
	<hr/>	<hr/>
At the end of the year	<b><u>5,556</u></b>	<u>8,788</u>

The decrease in the loss allowance made is to reflect the improvement of financial position of the customers during the current year. 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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	12,279	12,224
Accrued bonus and commission	4,270	9,174
Accruals	<u>5,094</u>	<u>2,898</u>
Trade and other payables	<u><u>21,643</u></u>	<u><u>24,296</u></u>

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	9,324	11,098
31 to 60 days	1,038	622
61 to 90 days	755	34
Over 90 days	<u>1,162</u>	<u>470</u>
Trade payables	<u><u>12,279</u></u>	<u><u>12,224</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

	<b>Number of ordinary shares '000</b>	<b>Share capital HK\$'000</b>
Ordinary share of HK\$0.01 each		
<i>Authorised:</i>		
At 1 April 2021, 31 March 2022 and 2023	<u>8,000,000</u>	<u>80,000</u>
<i>Issued and fully paid:</i>		
At 1 April 2021, 31 March 2022 and 2023	<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 APF and 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 2023, revenue generated from this segment amounted to approximately HK\$69.2 million, representing an increase of 9.9% as compared with approximately HK\$63.0 million in the previous year. For the years ended 31 March 2023 and 2022, revenue generated from this segment represented approximately 53.7% and 49.3% 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 2023, revenue generated from this segment amounted to approximately HK\$40.1 million, which representing an increase of approximately 10.6% as compared with approximately HK\$36.3 million in the previous year. For the years ended 31 March 2023 and 2022, revenue generated from this segment represented approximately 31.1% and 28.4% of the Group's total revenue respectively.

## **Debt offering circulars and IPO prospectuses**

Revenue generated from debt offering circulars and IPO prospectuses segment is derived from companies (i) raising funds in the debt market; and (ii) seeking listing on the Stock Exchange. Such companies may be subject to regulatory requirements for the publication of debt offering circulars and IPO prospectuses, in the case of these ad hoc debt offerings and IPO transactions respectively.

For the year ended 31 March 2023, revenue generated from this segment amounted to approximately HK\$8.4 million, representing a decrease of approximately 61.2% as compared with approximately HK\$21.7 million in the previous year, which was mainly attributable to the decrease in the number of the Group's IPO projects handled. For the years ended 31 March 2023 and 2022, revenue generated from this segment represented approximately 6.5% and 17.0% 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 2023, revenue generated from this segment amounted to approximately HK\$4.0 million, representing an increase of approximately 156.9% as compared with approximately HK\$1.6 million in the previous year. For the years ended 31 March 2023 and 2022, the revenue generated from this segment represented approximately 3.1% and 1.2% 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 2023, revenue generated from this segment amounted to approximately HK\$7.1 million, representing an increase of approximately 35.9% as compared with approximately HK\$5.2 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 2023 and 2022, revenue generated from this segment represented approximately 5.5% and 4.1% of the Group's total revenue respectively.

## **PROSPECTS**

Looking ahead, despite the novel coronavirus pandemic (the “COVID-19”) has gradually eased, the Hong Kong economy has not fully recovered from the pandemic. Financial printing industry is expected to be clouded by uncertainties arising from industry-specific factors, such as the consultation paper in respect to the proposal to expand the paperless listing regime by Stock Exchange 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 increased from approximately HK\$127.7 million for the year ended 31 March 2022 to approximately HK\$128.9 million for the year ended 31 March 2023, representing an increase of approximately 0.9%. The increase was primarily attributable to the increases in revenue from results announcements and financial reports segment amounting to approximately HK\$6.2 million, company announcements and shareholder circulars segments amounting to approximately HK\$3.9 million, fund documents segment amounting to approximately HK\$2.5 million and others segment amounting to approximately HK\$1.9 million, such increases were partly offset by the decrease in revenue from debt offering circulars and IPO prospectuses segment amounting to HK\$13.3 million.

### **Cost of services**

The Group’s cost of services mainly include staff cost, translation cost and printing cost, which represented approximately 39.1%, 33.4% and 23.5% of the Group’s total cost of services for the year ended 31 March 2023 respectively. The Group’s cost of services increased from approximately HK\$63.6 million for the year ended 31 March 2022 to approximately HK\$65.5 million for the year ended 31 March 2023, representing an increase of approximately 3.0%.

The increase in cost of services was mainly attributable to the increases in translation cost amounting to approximately HK\$5.8 million which was partly offset by the decrease in staff cost amounting to approximately HK\$4.4 million. Such increase was generally in line with the increase in the Group’s revenue during the year.

## **Gross profit**

The Group's gross profit decreased slightly from approximately HK\$64.2 million for the year ended 31 March 2022 to approximately HK\$63.5 million for the year ended 31 March 2023, representing a decrease of approximately 1.1%.

## **Other income**

The Group's other income for the year ended 31 March 2023 was approximately HK\$10.6 million, representing an increase of approximately HK\$7.8 million as compared with approximately HK\$2.8 million for the year ended 31 March 2022, which was mainly attributable to the increases in reversal of impairment loss of trade receivables and bad debt recovery of approximately HK\$4.5 million and bank interest income of approximately HK\$0.8 million, and the receipt 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.

## **Selling and distribution expenses**

The Group's selling and distribution expenses increased from approximately HK\$15.3 million for the year ended 31 March 2022 to approximately HK\$17.4 million for the year ended 31 March 2023, representing an increase of approximately 14.0%. Such increase was mainly attributable to the increase in marketing, meals and entertainment expenses from approximately HK\$5.7 million for the year ended 31 March 2022 to approximately HK\$8.7 million for the year ended 31 March 2023.

## **Administrative expenses**

The Group's administrative expenses for the years ended 31 March 2023 and 2022 were approximately HK\$29.6 million and approximately HK\$29.9 million respectively, which remained relatively stable.

## **Impairment loss of trade receivables**

The Group's impairment loss of trade receivables was approximately HK\$3.7 million for the year ended 31 March 2023 and approximately HK\$7.6 million for the year ended 31 March 2022.

## **Finance costs**

The Group's finance costs were approximately HK\$0.1 million for the year ended 31 March 2023 and approximately HK\$0.3 million for the year ended 31 March 2022.

## **Income tax expenses**

The Group's income tax expenses increased from approximately HK\$2.1 million for the year ended 31 March 2022 to approximately HK\$3.2 million for the year ended 31 March 2023. Such increase was mainly attributable to the increase of profit before tax from approximately HK\$13.8 million for the year ended 31 March 2022 to approximately HK\$23.2 million for the year ended 31 March 2023.

## **Profit for the year**

Profit after tax of the Group increased by approximately 70.0% from approximately HK\$11.8 million for the year ended 31 March 2022 to approximately HK\$20.0 million for the year ended 31 March 2023. Such increase was mainly attributable to the increase in other income of approximately HK\$7.8 million due to the increases in reversal of impairment loss of trade receivables and bad debt recovery of approximately HK\$4.5 million and bank interest income of approximately HK\$0.8 million, and the receipt 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 15.5% for the year ended 31 March 2023, representing an increase from approximately 9.2% for the year ended 31 March 2022.

## **LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO**

As at 31 March 2022 and 2023, the Group had net current assets of approximately HK\$87.1 million and HK\$83.8 million respectively. As at 31 March 2022 and 2023, the Group had cash and cash equivalents of approximately HK\$78.7 million and HK\$68.5 million respectively. As at 31 March 2022 and 2023, 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 1.7% (2022: 5.6%) due to the decrease in lease liabilities as at 31 March 2023.

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 2023.

## **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 2023.

## **CONTINGENT LIABILITIES**

As at 31 March 2022 and 2023, the Group did not have any significant contingent liabilities.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2023, the Group had a total of 84 full time employees (31 March 2022: 87) and the average number of staff decreased from 91 for the year ended 31 March 2022 to 85 for the year ended 31 March 2023. For the year ended 31 March 2023, the Group incurred staff costs, including Directors' remuneration, of approximately HK\$48.8 million (2022: approximately HK\$53.6 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 2023, 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 2023, the Group has no capital commitment (2022: nil).

## **CHARGES ON GROUP ASSETS**

As at 31 March 2023, the Group had no charges on the Group's assets (2022: 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 2023 to the date of this announcement.

## **DIVIDENDS**

An interim dividend of HK2.5 cents per share for the six months ended 30 September 2022 was paid to the Shareholders by the Company during the year ended 31 March 2023 (2022: HK2.5 cents per share).

The Board does not recommend a second interim dividend for the year ended 31 March 2023 (2022: HK5.5 cents).

The Board does not recommend the payment of any final dividend for the year ended 31 March 2023 (2022: 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 2023.

## **CORPORATE GOVERNANCE**

The Company has adopted the code provisions as set out in the corporate governance code (the "CG Code") contained in Appendix 14 to the Listing Rules as its own code of corporate governance. During the year ended 31 March 2023, 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 2023 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 2023 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 2023. 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 Wednesday, 30 August 2023, the notice of which will be published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.aplusgp.com](http://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 Friday, 25 August 2023 to Wednesday, 30 August 2023, both days inclusive, for the purposes of determining the entitlements of the Shareholders to attend and vote at the forthcoming annual general meeting of the Company. No transfer of shares of the Company may be registered during this period. In order to qualify to attend and vote at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 24 August 2023 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 2022/23 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](http://www.hkexnews.hk) and the Company's website at [www.aplusgp.com](http://www.aplusgp.com) on or before 31 July 2023.

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

Hong Kong, 30 June 2023

*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.*