AP RENTALS HOLDINGS LIMITED
亞積邦租賃控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1496)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

GROUP FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
	2024	2023	
	HK$'000	*HK$'000*	*Change in %*
Revenue	**174,070**	160,552	8.4%
Gross profit	**52,042**	45,019	15.6%
Profit for the year	**10,364**	12,776	(18.9%)
Earnings per share			
Basic (HK cents)	**1.20**	1.48	
Gross profit margin	**29.9%**	28.0%	
Profit margin	**6.0%**	8.0%	
Return on equity	**4.5%**	5.7%	
Final dividend per share (HK cent)	**0.60**	0.65	

* *For identification purposes only*

RESULTS

The board of directors (the "**Board**") of AP Rentals Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2024 together with comparative figures of 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
Revenue	*3*		
Goods and services		**59,550**	48,676
Leasing of equipment		**114,520**	111,876
Total revenue		**174,070**	160,552
Cost of sales and services		**(122,028)**	(115,533)
Gross profit		**52,042**	45,019
Other income	*4*	**3,232**	4,986
Other gains and losses	*5*	**2,197**	9,913
Impairment losses recognised on property, plant and equipment, net		**(54)**	(702)
Reversal of impairment losses (impairment losses) under expected credit loss model recognised on lease receivables and trade receivables, net		**1,677**	(3,945)
Impairment losses recognised in respect of right-of-use assets		**–**	(302)
Administrative expenses		**(39,847)**	(37,688)
Selling and distribution expenses		**(1,205)**	(634)
Share of result of a joint venture		**(2,920)**	–
Finance costs	*6*	**(1,656)**	(1,548)
Profit before tax		**13,466**	15,099
Income tax expense	*7*	**(3,102)**	(2,323)
Profit for the year	*8*	**10,364**	12,776
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(600)**	(877)
Total comprehensive income for the year		**9,764**	11,899
Earnings per share — basic HK cents	*10*	**1.20**	1.48

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Notes	**2024** ***HK$'000***	2023 *HK$'000*
Non-current Assets			
Property, plant and equipment		**165,925**	187,121
Right-of-use assets		**3,416**	6,711
Prepayments and deposits paid for acquisition of property, plant and equipment	*11*	**1,089**	424
Rental deposits	*11*	**650**	650
Deposit placed for a life insurance policy		**3,047**	2,983
Interest in a joint venture		**–**	–
Deferred tax assets		**–**	138
		174,127	198,027
Current Assets			
Inventories		**22,453**	13,834
Trade and other receivables, deposits and prepayments	*11*	**43,273**	41,107
Amount due from a joint venture		**5,552**	–
Pledged bank deposit		**360**	360
Cash and cash equivalents		**93,661**	74,559
		165,299	129,860
Current Liabilities			
Trade and other payables and accrued charges	*12*	**37,315**	20,105
Amount due to a joint venture		**420**	–
Contract liabilities		**952**	1,154
Receipts in advance		**3,975**	11,341
Tax liabilities		**4,712**	5,417
Borrowings — due within one year		**38,085**	33,414
Deferred income		**429**	559
Lease liabilities		**3,120**	3,688
		89,008	75,678
Net Current Assets		**76,291**	54,182
Total Assets less Current Liabilities		**250,418**	252,209

	Notes	**2024**	2023
		HK$'000	*HK$'000*
Non-current Liabilities			
Borrowings		**1,068**	1,848
Deferred tax liabilities		**20,645**	22,812
Lease liabilities		**399**	3,391
		22,112	28,051
Net Assets		**228,306**	224,158
Capital and Reserves			
Issued capital	*13*	**864**	864
Reserves		**227,442**	223,294
Total Equity		**228,306**	224,158

NOTES:

1. GENERAL INFORMATION

AP Rentals Holdings Limited (the "**Company**") was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 11 June 2015. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 8 April 2016. The addresses of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit 806A, 8th Floor, Tower II, South Seas Centre, No. 75 Mody Road, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

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

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

Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. 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. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

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

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to 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 amendments also clarify that 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. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in the consolidated financial statements.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") — Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, mandatory contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the mandatory contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

The change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong has had no material impact on the Company's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2024
3 Effective for annual periods beginning on or after 1 January 2025

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 March 2024					
	Sales of machinery and parts *HK$'000*	Lease related operating services *HK$'000*	Repair and maintenance service *HK$'000*	Delivery service *HK$'000*	Installation service *HK$'000*	Total *HK$'000*
Geographical markets						
Hong Kong	24,383	17,245	5,730	5,571	1,126	54,055
Macau	337	10	17	98	5	467
Singapore	140	4,888	–	–	–	5,028
Total	24,860	22,143	5,747	5,669	1,131	59,550
Timing of revenue recognition						
A point in time	24,860	–	–	5,669	–	30,529
Over time	–	22,143	5,747	–	1,131	29,021
Total	24,860	22,143	5,747	5,669	1,131	59,550

	For the year ended 31 March 2023					
	Sales of machinery and parts	Lease related operating services	Repair and maintenance service	Delivery service	Installation service	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Geographical markets						
Hong Kong	19,326	16,647	4,401	5,355	635	46,364
Macau	460	10	42	162	8	682
People's Republic of China ("**PRC**")	712	–	–	–	–	712
Singapore	–	918	–	–	–	918
Total	20,498	17,575	4,443	5,517	643	48,676
Timing of revenue recognition						
A point in time	20,498	–	–	5,517	–	26,015
Over time	–	17,575	4,443	–	643	22,661
Total	20,498	17,575	4,443	5,517	643	48,676

(ii) ***Performance obligations for contracts with customers***

Sales of machinery and parts

Revenue from sales of machinery and parts is from contracts with customers and recognised at a point in time when the customer obtains control of the goods.

Revenue is recognised when control of the goods has transferred, being when the goods have been accepted by the customer. The customer has full discretion over the usage of the goods, and has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 0 to 90 days upon invoice issued.

The Group normally receives 10% to 40% of the contract value as deposits from customers when it signs the sale and purchase agreement. The deposits will be recognised as revenue when the customer obtains control of the machinery.

All the sales of machinery and parts are completed within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Lease related operating services income

The Group offers equipment operating services in Hong Kong and other geographical markets by sending equipment operators to operate the equipment at the job sites of its customers. Such services are recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group applied the practical expedient in HKFRS 15 to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant agreements in which the Group bills based on the time charged by the equipment operators. The normal credit term is 0 to 45 days upon invoice issued. The invoice is issued upon the completion of service.

The contract periods for lease related operating service are one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Lease related other services income

The Group's other services income, which arise from rental arrangements including repair, maintenance, delivery and installation services. Revenue from delivery service is recognised when the goods have been delivered to the customer's specific location. Revenue from repair, maintenance and installation services are recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group applied the practical expedient in HKFRS 15 to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant agreements in which the Group bills based on the time charged. The normal credit term is 0 to 45 days upon invoice issued. The invoice is issued upon the completion of service.

The contract periods for lease related other services are one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iii) Leases

	2024	2023
	HK$'000	*HK$'000*
For operating leases:		
Lease payments that are fixed	**114,520**	111,876

For the years ended 31 March 2024 and 2023, there is no contingent rental recognised.

(b) Segment information

For management purpose, the Group is organised based on its business activities. The Group determines its operating segments based on these business activities that are regularly reviewed by the chief operating decision maker, i.e. the executive directors of the Company, for the purpose of resources allocation and performance assessment.

Specifically, the Group's reportable and operating segments under HKFRS 8 Operating Segments are as follows:

Leasing — Leasing of equipment, lease related operating services, repair and maintenance service, delivery service and installation service

Trading — Sales of machinery and parts

Segment information about these reportable and operating segments is presented below:

Segment revenue and results

For the year ended 31 March 2024

	Leasing	**Trading**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Revenue			
Leasing of equipment	**114,520**	**–**	**114,520**
Lease related operating services	**22,143**	**–**	**22,143**
Repair and maintenance service	**5,747**	**–**	**5,747**
Delivery service	**5,669**	**–**	**5,669**
Installation service	**1,131**	**–**	**1,131**
Sales of machinery and parts	**–**	**24,860**	**24,860**
Segment revenue	**149,210**	**24,860**	**174,070**
Results			
Segment results	**38,820**	**6,293**	**45,113**
Unallocated income			**2,865**
Unallocated expenses			**(31,277)**
Unallocated exchange losses			**(315)**
Share of results of a joint venture			**(2,920)**
Consolidated profit before tax of the Group			**13,466**

For the year ended 31 March 2023

	Leasing *HK$'000*	Trading *HK$'000*	Total *HK$'000*
Revenue			
Leasing of equipment	111,876	–	111,876
Lease related operating services	17,575	–	17,575
Repair and maintenance service	4,443	–	4,443
Delivery service	5,517	–	5,517
Installation service	643	–	643
Sales of machinery and parts	–	20,498	20,498
Segment revenue	140,054	20,498	160,552
Results			
Segment results	37,906	4,551	42,457
Unallocated income			804
Unallocated expenses			(29,903)
Unallocated exchange gains			1,741
Consolidated profit before tax of the Group			15,099

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies stated in the consolidated financial statements. Segment results represent the profit earned by each segment without allocation of certain interest income and sundry income, exchange (losses)/gains, and central administration expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

The chief operating decision maker makes decisions according to operating results of each segment. No analysis of segment assets and liabilities are presented as the information is not regularly reported to the chief operating decision maker for the purpose of resource allocation and assessment of performance.

Other segment information

For the year ended 31 March 2024

	Leasing ***HK$'000***	**Trading** ***HK$'000***	**Unallocated** ***HK$'000***	**Total** ***HK$'000***
Impairment losses recognised on property, plant and equipment, net	**54**	**–**	**–**	**54**
Reversal of impairment losses recognised on lease receivables and trade receivables, net	**1,508**	**169**	**–**	**1,677**
Write-down on inventories	**–**	**437**	**–**	**437**
Depreciation of property, plant and equipment	**44,213**	**19**	**988**	**45,220**
Depreciation of right-of-use assets	**3,413**	**–**	**113**	**3,526**
Gain on disposal of property, plant and equipment	**2,512**	**–**	**–**	**2,512**

For the year ended 31 March 2023

	Leasing *HK$'000*	Trading *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Impairment losses recognised on property, plant and equipment, net	702	–	–	702
Impairment losses recognised on right-of-use assets	302	–	–	302
Impairment losses recognised on lease receivables and trade receivables, net	3,792	153	–	3,945
Write-down on inventories	–	329	–	329
Depreciation of property, plant and equipment	50,913	42	669	51,624
Depreciation of right-of-use assets	3,859	–	96	3,955
Gain on disposal of property, plant and equipment	8,172	–	–	8,172

Geographical information

The Group's revenue from external customers is mainly derived from customers located in Hong Kong, Macau, the PRC and Singapore, which is determined based on the location of customers.

	2024 ***HK$'000***	2023 *HK$'000*
External revenue:		
Hong Kong	**157,549**	149,670
Macau	**3,891**	4,048
PRC	**158**	1,156
Singapore	**12,472**	5,678
	174,070	160,552

The Group's non-current assets based on the geographical location of the group companies owning these assets are as follows:

	2024	2023
	HK$'000	*HK$'000*
Non-current assets:		
Hong Kong	**156,680**	182,952
Macau	**1,955**	2,825
PRC	**5,077**	5,729
Singapore	**6,718**	2,750
	170,430	194,256

Note: Non-current assets excluded rental deposits, deposit placed for a life insurance policy and deferred tax assets.

Information about major customers

Revenue from customer during the year contributing over 10% of the total revenue of the Group is as follows:

	2024	2023
	HK$'000	*HK$'000*
Customer A*	**22,481**	17,714

* Revenue from leasing and trading segments

4. OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Interest income from:		
— bank deposits	**2,553**	488
— deposit placed for a life insurance policy	**98**	97
Government grants *(Note i)*	**–**	3,337
Subsidies related to acquisition of assets *(Note ii)*	**130**	81
Sundry income	**451**	983
	3,232	4,986

Notes:

(i) During the year ended 31 March 2023, the Group recognised government grants of HK$2,292,000 and HK$485,000 in respect of Covid-19-related subsidies provided by the Hong Kong and Macau government, respectively. The remaining government grant of HK$476,000 and HK$84,000 represented the subsidies provided by the Youth Employment and Training Programme and Vocational Training Council in Hong Kong, respectively.

(ii) During the year ended 31 March 2023, the Group received subsidies of HK$640,000 from the Construction Innovation and Technology Fund in Hong Kong for acquisition of a crane mounted on a new motor vehicle. The amount has been treated as deferred income. The amount is amortised and transferred to income over the useful lives of the relevant asset.

Movement of deferred income is as follows:

	Deferred income *HK$'000*
At 1 April 2022	–
Machinery related subsidies received in relation to acquisition of asset	640
Amortisation in the current year	(81)
At 31 March 2023	559
Amortisation in the current year	(130)
At 31 March 2024	429

5. OTHER GAINS AND LOSSES

	2024 ***HK$'000***	2023 *HK$'000*
Exchange (losses) gains, net	**(315)**	1,741
Gain on disposal of property, plant and equipment	**2,512**	8,172
	2,197	9,913

6. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on borrowings	**1,460**	1,273
Interest on trade payables	**–**	109
Interest on lease liabilities	**196**	166
	1,656	1,548

7. INCOME TAX EXPENSE

	2024	2023
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**5,319**	3,709
Overprovision in prior years		
Hong Kong Profits Tax	**(188)**	(313)
Deferred tax	**(2,029)**	(1,073)
	3,102	2,323

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the subsidiary registered in Macau, Macau Complementary Income Tax is calculated at 12% of the estimated assessable profit exceeding MOP600,000 after the deduction of dividend paid for both years. No provision for Macau Complementary Income Tax had been made as it had no assessable profits for the current year.

For subsidiary registered in the PRC, under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

For the subsidiary registered in Singapore which is subject to Singapore income tax at 17% (2023: 17%). No provision for Singapore income tax had been made as it had no assessable profits for the year ended 31 March 2023. No provision for Singapore income tax was made for the year ended 31 March 2024 as the assessable profits were absorbed by the tax losses brought forward.

8. PROFIT FOR THE YEAR

	2024	2023
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**1,800**	1,740
Cost of inventories recognised as expenses, including write-down on inventories of HK$437,000 (2023: HK$329,000)	**12,406**	8,791
Depreciation of property, plant and equipment	**45,220**	51,624
Depreciation of right-of-use assets	**3,526**	3,955
Staff costs:		
Directors' emoluments	**7,485**	7,618
Other staff costs:		
— Salaries, allowances and other benefits	**51,940**	47,573
— Retirement benefits scheme contributions	**1,802**	1,688
	53,742	49,261
Total staff costs	**61,227**	56,879

Note: The Group has established the MPF Scheme for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions recognised in profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the employees' monthly relevant income capped at HK$30,000 (2023: HK$30,000) per month.

The eligible employees of the Company's subsidiaries in the Macau, the PRC and Singapore are members of pension schemes operated respective local governments. The subsidiary in Macau is required to contribute MOP60 for every employee per month. The subsidiary in the PRC is required to contribute a certain percentage ranging from 0.2% to 14% of the relevant cost of the payroll of these employees to the pension schemes to fund the benefits. The subsidiary in Singapore is required to contribute 16% of the employee's monthly gross salary. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contribution under the schemes.

The total costs charged to profit or loss for the year of HK$1,838,000 (2023: HK$1,741,000), comprised HK$36,000 and HK$1,802,000 (2023: HK$53,000 and HK$1,688,000) in directors' emoluments and other staff costs respectively, and represented contributions paid or payable to the schemes by the Group in respect of the current year. At the end of the reporting period, there were no forfeited contributions available to reduce future obligations.

9. DIVIDEND

Dividend recognised as distribution of the Company during the year ended 31 March 2024 represented final dividend for the year ended 31 March 2023 of HK0.65 cent per share, totally, HK$5,616,000 (2023: nil) in aggregate.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2024 of HK0.60 cent per ordinary share, in an aggregate amount of HK$5,184,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting (2023: HK0.65 cent per ordinary share, in an aggregate amount of HK$5,616,000).

10. EARNINGS PER SHARE

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

	2024	2023
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**10,364**	12,776
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**864,000**	864,000

Note: The calculations of the basic earnings per share for both years are based on the profit attributable to owners of the Company using the number of shares in issue during the year.

No diluted earnings per share is presented for both years as there were no potential ordinary shares in issue.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024	2023
	HK$'000	*HK$'000*
Lease receivables from:		
— outsiders	**50,891**	51,596
— a related company	**212**	212
Less: Allowance for expected credit losses	**(15,036)**	(16,549)
	36,067	35,259
Trade receivables from contracts with customers	**2,605**	3,018
Less: Allowance for expected credit losses	**(286)**	(450)
	2,319	2,568
Value added tax recoverable	**–**	74
Rental deposits paid	**650**	650
Other deposits and prepayments	**5,976**	3,630
	45,012	42,181
Analysed as:		
Current	**43,273**	41,107
Non-current — prepayments and deposits paid for acquisition of property, plant and equipment	**1,089**	424
Non-current — rental deposits	**650**	650
	45,012	42,181

As at 1 April 2022, trade receivables from contracts with customers amounted to HK$1,400,000.

The following is an aged analysis of lease receivables and trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

	2024	2023
	HK$'000	*HK$'000*
Within 30 days	**16,197**	9,860
31 to 60 days	**10,035**	11,794
61 to 90 days	**2,453**	4,202
91 to 180 days	**4,885**	7,274
Over 180 days	**4,816**	4,697
	38,386	37,827

During both years, the normal credit term of the lease receivables is 0 to 90 days upon invoice issued and the normal credit term of the trade receivables is 0 to 90 days upon invoice issued.

As at 31 March 2024, included in the Group's lease receivables and trade receivables balances are debtors with aggregate carrying amount of HK$25,301,000 (2023: HK$23,863,000) which were past due at the end of the reporting period. Out of the past due balances as at 31 March 2024, HK$7,983,000 (2023: HK$10,726,000) has been past due 90 days or more and are not considered as in default as debtors normally will settle the outstanding balances after 90 days overdue with reference to the debtors settlement pattern. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	2024	2023
	HK$'000	*HK$'000*
Trade payables *(Note a)*	**5,452**	3,949
Payables for acquisition of property, plant and equipment *(Note a)*	**16,486**	4,370
Accrued expenses *(Note b)*	**12,486**	8,517
Other payables *(Note c)*	**2,891**	3,269
	37,315	20,105

Notes:

(a) As at 31 March 2024 and 2023, trade payables and other payables for acquisition of property, plant and equipment are under normal credit term granted by suppliers. The credit period is ranging from 0 to 540 days (2023: 0 to 180 days).

(b) As at 31 March 2024, included in accrued expenses are mainly accrued staff costs of HK$7,009,000 and provision of LSP of HK$1,695,000 (2023: HK$4,979,000 and nil).

(c) As at 31 March 2024 and 2023, included in other payables are mainly professional fee payable, insurance payable and other utility payable.

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

	2024	2023
	HK$'000	*HK$'000*
Within 30 days	**2,616**	1,730
31 to 60 days	**841**	1,128
61 to 90 days	**414**	84
91 to 180 days	**197**	154
Over 180 days	**1,384**	853
	5,452	3,949

13. ISSUED CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.001 each		
Authorised:		
At 1 April 2022, 31 March 2023 and 31 March 2024	10,000,000,000	10,000
Issued:		
At 1 April 2022, 31 March 2023 and 31 March 2024	864,000,000	864

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP OVERVIEW

The Group strives to serve our valuable customers better with the provision of the equipment rental-related solutions and value-added services. For the year ended 31 March 2024 ("**FY2024**"), the Group recorded a net profit, which amounted to approximately HK$10.4 million (for the year ended 31 March 2023 ("**FY2023**"): net profit amounting to approximately HK$12.8 million). The decrease of net profit is mainly attributable to the net effect of:

1. Despite the fact that the Group recorded an increase in leasing income of equipment in Hong Kong, Macau and Singapore, the Group recorded a decrease in leasing income of equipment in two areas in Hong Kong in FY2024, which was (i) the decrease in demand for leasing of equipment from the construction works in the Kai Tak area, including but not limited to the Kai Tak Sports Park project (the "**Kai Tak Area**"); and (ii) there was leasing income of leasing equipment amounting to approximately HK$7.6 million, which was related to the construction and operation of the community isolation facilities (the "**Community Isolated Facilities**"), which were built and operated by the Hong Kong government due to the Covid-19 pandemic in FY2023, but there was no such leasing income generated in FY2024;

2. No government subsidies were received from the governments of Hong Kong and Macau in FY2024 (FY2023: approximately HK$2.3 million in the case of Hong Kong and approximately MOP0.5 million in the case of Macau, which was equivalent to approximately HK$0.5 million, which were both related to the Covid-19 pandemic in FY2023 and represented the wage subsidies provided by the governments of Hong Kong and Macau for supporting the employment and helping business tide over financial difficulties due to the Covid-19 pandemic);

3. Decrease in gain on disposal of property, plant and equipment from approximately HK$8.2 million in FY2023 to approximately HK$2.5 million in FY2024 since the Group has disposed of the aged trucks with a gain of approximately HK$2.3 million in FY2023, which contributed to a major part of the gain on disposal of property, plant and equipment in FY2023, while the Group recorded losses in disposal of two leasing trucks amounting to approximately HK$1.4 million in FY2024;

4. The provision of the long service payment for the staff of the Group in Hong Kong as at 31 March 2024, amounting to approximately HK$1.7 million, due to the change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund — Long Service Payment ("**LSP**") offsetting mechanism in Hong Kong (for details, please refer to note 2 of the notes to the consolidated financial statements in this announcement);

5. Increase in staff costs from approximately HK$56.9 million in FY2023 to approximately HK$61.2 million in FY2024, which were mainly due to increase in the wage of operators due to the increase in demand from equipment operating services; and annual salary increment for the staff of the Group so as to keep abreast of the human resources market in Hong Kong and in Singapore;

6. Recording a share of loss incurred amounting to approximately HK$2.9 million in FY2024 by a joint venture company with limited liability, Wing Hing-APE Solutions JV Limited (the "**WAJV**"), in which an indirectly wholly-owned subsidiary of the Company, AP Equipment Solutions Limited has subscribed for 50% of the shares of WAJV amounting to HK$2.5 million;

7. Exchange losses, net amounting to approximately HK$0.3 million was recorded in FY2024 (FY2023: exchange gains, net of approximately HK$1.7 million, recorded in FY2023 for the purchase of leasing machines which were recorded as account payables in Euro and Japanese Yen. Euro and Japanese Yen depreciated in FY2023); and

8. Reversal of the impairment losses under expected credit loss model recognised on lease receivables and trade receivables, net ("**ECL Provision**") amounting to approximately HK$1.7 million in FY2024 (FY2023: impairment losses under ECL Provision, approximately HK$3.9 million due to increase in ECL Provision made under individual assessment for some accounts receivables related to the customers working for projects on the 3rd Runway and under collective assessment for remaining customers due to the increase in expected default risk, which might be caused by the increase in interest rates and inflation rates globally) due to the fact the recovery rates improved in FY2024.

For FY2024, the Group recorded revenue of approximately HK$174.1 million, representing an increase of approximately 8.4% as compared to that of approximately HK$160.6 million for FY2023. For FY2024, the Group recorded gross profit of approximately HK$52.0 million, representing an increase of approximately 15.6% as compared to that of approximately HK$45.0 million for FY2023. The gross profit margin for FY2024 was approximately 29.9% (FY2023: approximately 28.0%). Please refer to the section headed "Financial Review" of this announcement for further details of the Group's performance in FY2024. The performance of the Group in FY2024 reflects the importance of the equipment rentals and the provision of related value-added services.

Profit attributable to owners of the Company was approximately HK$10.4 million in FY2024 (Profit attributable to owners of the Company in FY2023: approximately HK$12.8 million).

Basic earnings per share attributable to owners of the Company for FY2024 was HK 1.20 cent (Basic earnings per share attributable to owners of the Company for FY2023: HK1.48 cent).

BUSINESS OVERVIEW

During FY2024, the equipment demands for leasing of equipment and the leasing income increased. However, the Group still recorded a decrease in leasing income in two areas, which was: (i) the decrease in leasing income for leasing equipment in the Kai Tak Area in FY2024; and (ii) no leasing income being generated from the Mobile Cabin Hospital in the Community Isolated Facilities in FY2024 as mentioned under the section headed "Group Overview" of this announcement. However, leasing income of the Group in other construction projects and other building works in Hong Kong increased, including but not limited to the Development of Lok Ma Chau Loop, improvement work and the third runway construction projects conducted in the Hong Kong International Airport, and Central Kowloon Route (a highway project under construction that runs through the Kowloon Peninsula, which is largely underground) (the "**T2-CKR**"). The Group has also recorded a material increase in leasing income related to its event business in Hong Kong due to the HKSAR Government trying to boost Hong Kong's economy in FY2024. These increases have override the negative effect in leasing income as stated in points (i) and (ii) above. In addition, the Group recorded significant increase in leasing income with compact lifting solution strategies in Singapore in FY2024. That is why the Group overall still recorded a growth in leasing income despite the decrease or loss of leasing income as stated in above points (i) and (ii).

In addition, the Group increased its business activities for providing better and comprehensive solutions in the provision of power to the market using the concept of the Smart System in Mobile Electricity ("**SSME**") and for the provision of green-related solutions (for instance, the provision of biofuel generators) through the Company's indirect wholly-owned subsidiary, AP Power Limited ("**AP Power**"). This aims at increasing the professionalism in Mobile Power Supply for various industries of the Group's services in leasing and the provision of solutions to the market, which has made its contribution in fostering the increase in leasing income in FY2024.

For the trading business, the Group recorded an increase in revenues for both machinery trading and parts sales when comparing with those in FY2023. The increase in revenue was mainly attributable to the increase in parts sales for the customers in the PRC.

For Macau, the demands in leasing equipment increased slightly and so the leasing revenue of AP Equipment Leasing and Engineering Limited ("**AP Macau**"), an indirect wholly-owned subsidiary of the Company, increased when compared to that of FY2023 due to the fact that the demand from event business in Macau increased in FY2024. In addition, the Group still recorded increase in demand from construction sites related to public work especially the building and infrastructure projects from the new reclaimed land in Macau Peninsula, which is the focus of the Group in Macau from 2023 onwards.

For Singapore, AP Equipment Rentals (Singapore) Pte. Limited ("**AP Singapore**"), a wholly-owned subsidiary of the Company, recorded strong increase in revenues in leasing of equipment and operating service income in FY2024 because the construction industry in Singapore continues its growth due to the booming of its economy in FY2024.

For the PRC, due to the debt crisis triggered by some giant property developers, 亞積邦建設工程機械(上海)有限公司 (AP Rentals (Shanghai) Limited*), ("**AP Shanghai**"), an indirect wholly-owned subsidiary of the Company, has recorded a decrease in the revenue from the leasing of equipment. However, AP Shanghai also focused on the disposal of its equipment locally and overseas in FY2024.

Lastly, for WAJV, the projects which WAJV is involved in have mostly been completed as at 31 March 2024.

For details, please refer to the section headed "Financial Review" of this announcement.

PROSPECT

Even after the Covid-19 pandemic tapered off and the cross-border activities of Hong Kong resumed, the degrees of economy rebound in Hong Kong and the PRC were still not up to expectation. However, the Group will continue its investment and promotion of equipment, serving the concept of the green energy in the financial year ending 31 March 2025 ("**FY2025**").

In Hong Kong, the Group will expedite its investment in the green mobile power supplies and its related services with SSME system in FY2025, which will be packaged as the ultimate solution for the customers in green power supplies that also addresses the increasing concerns from the community on environmental protection and social responsibilities aspects. The Group will provide more value-added services to the customers relating to three major goals of product developments, which are Comprehensive Digitization, Environmental Protection and Artificial Intelligence; as well as the "green concept", including but not limited to, providing some raw data related to the emission from the machines leased by the customers, use of biofuels and provision of more efficient, reliable and cost-effective modes in providing electricity to the customers. AP Power will implement these strategies in the coming years. The Group will increasingly focus on machinery trading overseas and the disposal of aged leasing equipment in FY2025.

In Macau, AP Macau will continue to focus on government related work and special event and entertainment activities so as to increase the leasing revenues in the coming months.

For the PRC, the Group will closely monitor the effects of the debt crisis related to the construction industry in the PRC in the coming months. In order to improve the revenues and cash inflow of AP Shanghai, the Group will try to increase the machinery sales and dispose more of its leasing equipment.

* *For identification purposes only*

The economy in Singapore is booming. The Group would try its best to maintain the increasing trend in its revenues with the compact lifting solution strategies and may consider making further investment in the leasing equipment, including the introduction of more product types for AP Singapore, so as to cater for the increasing demands for leasing equipment in Singapore in FY2025.

FINANCIAL REVIEW

Revenue

For FY2024, the Group recorded an increase in revenue of approximately HK$13.5 million, with the total revenue amounting to approximately HK$174.1 million for FY2024, representing an increase of approximately 8.4% as compared to that of approximately HK$160.6 million for FY2023. The increase in revenue mainly resulted from the increase in all segments of business of the Group.

(i) Leasing of equipment

During the period under review, the Group's leasing income from rental services, which involved the rental of construction, electrical and mechanical engineering and event and entertainment equipment in Hong Kong, Macau, the PRC and Singapore, increased to approximately HK$114.5 million in FY2024 as compared to that of approximately HK$111.9 million in FY2023.

As mentioned above, the revenue attributable to the Group's rental business increased in FY2024 due to the increase in demands from the construction work and event business as disclosed in the section headed "Business Overview" of this announcement.

Leasing income of equipment accounted for approximately 65.8% of the Group's total revenue for FY2024 (FY2023: approximately 69.7%).

(ii) Operating service income

The Group offers equipment operating services by providing equipment operators to operate the equipment at the job sites of its customers. For FY2024, revenue from equipment operating services increased by approximately 26.0% to approximately HK$22.1 million (FY2023: approximately HK$17.6 million), and accounted for approximately 12.7% of the Group's total revenue for FY2024 (FY2023: approximately 10.9%). The increase in operating services income for FY2024 was attributable to the fact that the demand of leasing equipment in Hong Kong and Singapore increased, especially for those equipment which required operators to operate and the demand for its related equipment operating services in Hong Kong and Singapore also increased accordingly.

(iii) Other service income

The Group's other service income, which arises from rental arrangements including repair and maintenance, delivery and installation services during the rental period, recorded an increase and amounted to approximately HK$12.6 million for FY2024 (FY2023: approximately HK$10.6 million). The Group's other service income accounted for approximately 7.2% of the Group's total revenue for FY2024 (FY2023: approximately 6.6%). The increase was mainly contributed by the large increase in repair and maintenance services income.

(iv) Sales of machinery and spare parts

The revenue from sales of machinery and spare parts increased by approximately 21.3% from approximately HK$20.5 million for FY2023 to approximately HK$24.9 million for FY2024 mainly due to large increase in sales of spare parts and an increase in sales of machinery.

The Group's sales of machinery and spare parts accounted for approximately 14.3% of the Group's total revenue for FY2024 (FY2023: approximately 12.8%).

Cost of Sales and Services

The Group's cost of sales and services amounted to approximately HK$122.0 million for FY2024, representing a period-on-period increase of approximately 5.6% (FY2023: approximately HK$115.5 million). Cost of sales and services mainly comprised machinery hiring expenses, staff costs for the Group's equipment operators, technicians and truck drivers, costs for machinery and parts for trading and depreciation.

The Group invested on leasing equipment through purchases of leasing equipment, amounting to approximately HK$32.8 million in FY2024. However, the Group has also increased the disposal of some leasing equipment with lower utilisation rates during FY2024 and that some equipment have been fully depreciated in FY2024, so the depreciation cost in FY2024 decreased to approximately HK$44.2 million (FY2023: approximately HK$51.0 million). Staff costs under the cost of sales and services increased by approximately HK$4.7 million mainly due to the increase of wage and number of the operators for operating the leasing equipment since the demand for operating service increased in FY2024. The provision of LSP has also increased the cost of sales and services by approximately HK$1.3 million in FY2024 (FY2023: nil). Costs for machinery and parts increased by approximately 5.6% due to the increase in cost of the machinery in FY2024.

Gross Profit and Gross Profit Margin

The Group's overall gross profit increased by approximately 15.6% from approximately HK$45.0 million for FY2023 to approximately HK$52.0 million for FY2024 and the Group's gross profit margin was approximately 29.9% for FY2024 (FY2023: approximately 28.0%). The increase in gross profit margin was mainly due to the net effect of: (i) the decrease in gross profit margin in trading business in FY2024; (ii) the increase of wage; (iii) the effect of provision of LSP; but (iv) there was an increase in revenue of the leasing of equipment; and (v) the relevant depreciation expense was reduced in FY2024.

Other Income

The Group recorded other income amounting to approximately HK$3.2 million in FY2024 (FY2023: approximately HK$5.0 million), which represented a decrease of approximately 35.2% from FY2023. The decrease was due to the fact that no government subsidies were received from the governments of Hong Kong and Macau related to the Covid-19 pandemic in FY2024 (FY2023: approximately HK$2.8 million, which represent the wage subsidies provided by the government of Hong Kong (in the amount of approximately HK$2.3 million) and the government of Macau (in the amount of approximately MOP0.5 million which is equivalent to approximately HK$0.5 million) for supporting the employment and helping business tide over financial difficulties due to the Covid-19 pandemic). The Group also recorded an interest income from bank deposits amounting to approximately HK$2.6 million in FY2024 (FY2023: approximately HK$0.5 million) due to increase in cash balances in FY2024 and increase in interest rates for fixed deposits in Hong Kong.

Other Gains and Losses

Other gains and losses amounted to approximately HK$2.2 million in FY2024 (FY2023: approximately HK$9.9 million), representing a decrease of approximately 77.8% over FY2023. The Group recorded exchange losses, net of approximately HK$0.3 million in FY2024 (FY2023: exchange gains, net of approximately HK$1.7 million, which was caused by the depreciation of Japanese Yen and Euro against Hong Kong Dollar recorded in account payables in FY2023). The Group also recorded a decrease in gain on disposal of property, plant and equipment from approximately HK$8.2 million in FY2023 to approximately HK$2.5 million in FY2024 due to the fact that all aged trucks were disposed of in FY2023, which contributed to a gain on disposal for approximately HK$2.3 million in FY2023 while the Group recorded losses on disposal of leasing trucks amounting to approximately HK$1.4 million in FY2024.

Reversal of Impairment Losses under Expected Credit Loss Model Recognised on Lease Receivables and Trade Receivables, Net and the Impairment Losses Recognised on Property, Plant and Equipment, Net

As at 31 March 2024, the recovery rates of receivables improved. The impairment losses under ECL Provision for the Group reversed by approximately HK$1.7 million in FY2024 (FY2023: impairment losses under ECL Provision of approximately HK$3.9 million). For details, please refer to the section headed "Group Overview" of this announcement.

The Group has recognised impairment losses on property, plant and equipment, net amounting to approximately HK$0.1 million in FY2024 (FY2023: approximately HK$0.7 million, which was made for the provision for impairment for the leasing equipment used in the sites in the 3rd Runway).

Administrative Expenses

For FY2024, administrative expenses amounted to approximately HK$39.8 million (FY2023: approximately HK$37.7 million), representing an increase of approximately 5.7% over that of FY2023. The increase in administrative expenses was mainly due to the increase in the staff costs of the Group (excluding those staff costs stated under the section headed "Cost of Sales and Services" of this announcement) due to annual review and promotion. The provision of LSP also increased the administrative expenses in FY2024 by approximately HK$0.6 million (FY2023: nil).

Selling and Distribution Expenses

For FY2024, selling and distribution expenses amounted to approximately HK$1.2 million (FY2023: approximately HK$0.6 million). The increase was due to the promotion of the concept of "green energy" towards the market.

Finance Cost

Finance costs mainly comprised interest on the Group's borrowings and lease liabilities, which amounted to approximately HK$1.7 million in FY2024 (FY2023: approximately HK$1.5 million). The increase in finance costs was due to the increase in borrowings in FY2024 for financing of the investment in leasing equipment and trucks made during FY2024 (approximately HK$1.5 million) when comparing to the borrowings in FY2023 (approximately HK$1.3 million).

Profit and Total Comprehensive Income for FY2024

The Group recorded profit attributable to owners of the Company of approximately HK$10.4 million for FY2024 (FY2023: profit attributable to owners of the Company of approximately HK$12.8 million), representing a profit margin of approximately 6.0% (FY2023: profit margin of approximately 8.0%). The decrease in profit attributable to owners of the Company in FY2024 was due to the reasons stated under the section headed "Group Overview" of this announcement. The total comprehensive income for FY2024 was approximately HK$9.8 million (FY2023: total comprehensive income was approximately HK$11.9 million).

Capital Expenditure

The Group's capital expenditures in FY2024 primarily comprised expenditures on leasing machinery, vehicles and office equipment, amounting to a total of approximately HK$35.2 million (for the year ended 31 March 2023: approximately HK$44.7 million). The vast majority of the capital expenditures were used to fund the expansion of the Group's owned rental fleet and trucks, which accounted for approximately 98.3% of the total capital expenditure of the Group for FY2024.

Liquidity and Financial Resources Review

The Group financed its operations through a combination of cash flow from operations and borrowings. As at 31 March 2024, the Group had cash balances and cash equivalents of approximately HK$93.7 million (as at 31 March 2023: approximately HK$74.6 million) that were mainly denominated in Hong Kong Dollars, Japanese Yen, Euro, Macau Pataca ("**MOP**"), Singapore Dollars, United States Dollars and Chinese Yuan, and had borrowings and lease liabilities of approximately HK$42.7 million (as at 31 March 2023: approximately HK$42.3 million) that were denominated in Hong Kong Dollars.

As at 31 March 2024, the Group had banking facilities of approximately HK$85.4 million (as at 31 March 2023: approximately HK$87.8 million), of which approximately HK$57.1 million (as at 31 March 2023: approximately HK$35.3 million) had been drawn down, and approximately HK$28.3 million (as at 31 March 2023: approximately HK$52.5 million) were unutilised.

As at 31 March 2024, the gearing ratio of the Group was nil (as at 31 March 2023: nil), which was calculated based on the net debt divided by total equity. Net debt is defined as the sum of the interest bearing liabilities, which include borrowings, bank overdraft, lease liabilities, minus the cash and cash equivalents.

Going forward, the Group expects to fund its future operations and expansion plans primarily with cash generated from operations and borrowings.

Foreign Exchange Risk

Certain transactions of the Group are denominated in currencies which are different from the functional currencies of the Group, namely, Hong Kong Dollars, and therefore the Group is exposed to foreign exchange risk. Payments made by the Group for the settlement of its purchases from suppliers are generally denominated in Hong Kong Dollars, Japanese Yen, Euro, Singapore Dollars, Chinese Yuan and United States Dollars. Payments received by the Group from its customers are mainly denominated in Hong Kong Dollars, MOP, Singapore Dollars, Chinese Yuan and United States Dollars.

The Group does not have a foreign currency hedging policy. However, the Group will continue to monitor closely its exposure to currency movement and take proactive measures.

Contingent Liabilities

As at 31 March 2024, the Group had no material contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies and Joint Ventures

There were no material acquisitions or disposals of subsidiaries, associated companies and joint ventures during FY2024.

Significant Investments

As at 31 March 2024, the Group did not have any significant investments.

Capital Commitments and Future Plans for Material Investments or Capital Assets

As at 31 March 2024, the Group had capital commitments of approximately HK$19.8 million (as at 31 March 2023: approximately HK$13.1 million) to acquire leasing equipment and trucks for the Group.

The acquisition of leasing equipment and trucks will be funded by the Group’s internal resources and the banking facilities.

Pledge of Assets

As at 31 March 2024, deposit placed for a life insurance policy of approximately HK$3.0 million (as at 31 March 2023: approximately HK$3.0 million), leasing equipment and trucks of approximately HK$4.5 million as at 31 March 2024 (as at 31 March 2023: approximately HK$4.4 million), and bank deposits of approximately HK$0.4 million (as at 31 March 2023: approximately HK$0.4 million) have been pledged to secure the Group's borrowings of approximately HK$38.4 million (as at 31 March 2023: approximately HK$31.1 million).

Segment Information

Segment information is presented for the Group as disclosed in notes 3(a) and 3(b) of the notes to financial statements of this announcement.

Human Resources and Employees' Remuneration

As at 31 March 2024, the Group had 133 employees (as at 31 March 2023: 127 employees), of which 120 employees were in Hong Kong (as at 31 March 2023: 117 employees), 4 employees were in Macau (as at 31 March 2023: 4 employees), 6 employees were in Singapore (as at 31 March 2023: 3 employees) and 3 employees were in PRC (as at 31 March 2023: 3 employees). Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by the Board from time to time. In addition to basic remuneration, the Group also provides medical insurance, makes contributions to provident funds and provides other benefits to the employees. The total staff costs including remuneration, other benefits and contributions to retirement schemes for the directors of the Company and other staff of the Group for FY2024 amounted to approximately HK$61.2 million (FY2023: approximately HK$56.9 million). The increase in staff costs was mainly due to the increase in headcount of operators and annual salary review of the staff.

The Group's technical staff attend seminars jointly conducted by manufacturers and the Group to acquire product knowledge to ensure that they are equipped with the necessary skills and knowledge to perform their duties. Such seminars include training regarding the equipment structures, operational features, operator safety training and equipment repair. In addition to the training jointly conducted by manufacturers and the Group, the Group's technical staff also attend external training courses and obtain relevant certificates.

Share Option Scheme

To attract and retain the most suitable personnel for development of the Group, the Group has adopted the share option scheme (the "**Scheme**") on 17 March 2016. Share options may be granted to eligible employees of the Group as a long-term incentive. From the date of the adoption of the Scheme and up to 31 March 2024, no share option has been granted or agreed to be granted under the Scheme.

OTHER INFORMATION

Corporate Governance Practices

The Company recognises the importance of corporate transparency and accountability. The Company is committed to achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

During the year ended 31 March 2024, the Company has engaged an international consulting firm (the "**Consultant**") to review and recommend appropriate actions so as to ensure that the Company is complying with the requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in relation to internal controls assessment, enterprise risk management and corporate governance advising services. A review on the Company's internal controls, enterprise risk management and corporate governance practices were conducted by the Consultant for FY2024, and the Company has been improving its internal controls, enterprise risk management and corporate governance practices continuously with reference to the Consultant's recommendations. Moreover, the Company has adopted its corporate governance practices which are reproduced from the code provisions in the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 of the Listing Rules.

During the year ended 31 March 2024, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules ("**CG Code**"), save and except for the deviation from code provision C.2.1.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of chairman and chief executive officer of the Company are both performed by Mr. Lau Pong Sing. The Board believes that vesting of the roles of both chairman and chief executive officer in the same individual provides the Company with strong and consistent leadership, efficient usage of resources and allows for effective planning, formulation and implementation of the Company's business strategies which will enable the Company to sustain the development of its business efficiently.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. The Company has made specific enquiries to all directors of the Company regarding any non-compliance with the Model Code. All the directors of the Company confirmed that they have complied with the required standard set out in the Model Code in FY2024.

Purchase, Sale or Redemption of the Company's Listed Securities

In FY2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Review by Audit Committee

The annual results of the Group for the year ended 31 March 2024 have been reviewed by the audit committee of the Company.

Dividend

The Board recommends the payment of a final dividend of HK0.60 cent (for the year ended 31 March 2023: HK0.65 cent) per share for the year ended 31 March 2024. The final dividend will be paid to the shareholders of the Company whose names appear on the register of members of the Company as at 5 September 2024, if the proposal is approved by the shareholders at the forthcoming annual general meeting of the Company. It is expected that the final dividend will be paid on or around 16 September 2024.

Closure of Register of Members

For determining the entitlement to attend and vote at the annual general meeting ("**AGM**") of the Company to be held on 28 August 2024, the register of members of the Company will be closed from 23 August 2024 to 28 August 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on 22 August 2024.

For ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from 3 September 2024 to 5 September 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on 2 September 2024.

Publication of the Results Announcement and Annual Report

This results announcement is published on the Company's website at http://www.apholdingshk.com/en/investor_relations/announcement/index.html, and the website of the Stock Exchange.

The annual report of the Company for the year ended 31 March 2024 will be available at the respective websites of the Company and the Stock Exchange and will be disseminated to shareholders of the Company in late July.

By Order of the Board
AP Rentals Holdings Limited
Lau Pong Sing
Chairman and Executive Director

Hong Kong, 26 June 2024

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