A.Plus Group Holdings Limited
優越集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號: **1841**

Annual Report
2019/20 年報

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Kim Wan *(Chairman)*
Mr. Fong Wing Kong
(Chief Executive Officer)

Independent Non-executive Directors

Mr. Yue Ming Wai Bonaventure
Ms. Sze Tak On
Mr. Leung Siu Hong

AUTHORISED REPRESENTATIVES

Mr. Lam Kim Wan
Mr. Fong Wing Kong

COMPANY SECRETARY

Mr. Wun Chun Wai *(CPA)*

COMPLIANCE OFFICER

Mr. Fong Wing Kong *(CPA)*

BOARD COMMITTEES

Audit Committee

Mr. Yue Ming Wai Bonaventure
(Chairman)
Ms. Sze Tak On
Mr. Leung Siu Hong

Remuneration Committee

Mr. Leung Siu Hong *(Chairman)*
Mr. Yue Ming Wai Bonaventure
Ms. Sze Tak On
Mr. Lam Kim Wan

Nomination Committee

Mr. Lam Kim Wan *(Chairman)*
Mr. Yue Ming Wai Bonaventure
Ms. Sze Tak On
Mr. Leung Siu Hong

AUDITORS

SHINEWING (HK) CPA Limited
43/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

LEGAL ADVISER

Howse Williams
27/F Alexandra House
18 Chater Road
Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2/F, 35-45B Bonham Strand
Sheung Wan
Hong Kong

COMPANY'S WEBSITE

www.aplusgp.com

STOCK CODE

1841

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman)
Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Industrial and Commercial Bank of China
(Asia) Limited

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors") of A.Plus Group Holdings Limited (the "Company"), I am pleased to present the results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2020 to the shareholders of the Company ("Shareholders").

REVIEW

The Group recorded a revenue of approximately HK$146.6 million for the year ended 31 March 2020, representing a decrease of approximately 8.2% as compared with approximately HK$159.7 million in the previous year. Gross profit of the Group for the year ended 31 March 2020 was approximately HK$76.1 million, representing a decrease of approximately 12.1% as compared with approximately HK$86.6 million in the previous year. Profit after tax of the Group for the year ended 31 March 2020 was approximately HK$25.9 million, representing a decrease of approximately 6.5% as compared with approximately HK$27.7 million in the previous year. Such decreases were mainly attributable to (i) decrease in revenue mainly resulting from the uncertainties in the global economy and the Hong Kong financial market; and (ii) increase in staff costs, which was partly offset by the absence of the one-off expenses recorded in the previous year of approximately HK$4.5 million in connection with the transfer of the listing of the shares of the Company (the "Shares") from GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to the Main Board of the Stock Exchange (the "Transfer"). The net profit margin of the Group for the year ended 31 March 2020 was approximately 17.7%, which remained relatively stable as compared with approximately 17.4% in the previous year.

FUTURE PROSPECTS

Going forward, the global economy and the Hong Kong financial market is expected to be clouded by uncertainties arising from the escalating Sino-US trade dispute and the novel coronavirus pandemic. The weakened market sentiment and investor confidence dampen both fund-raising exercises and corporate actions by local listed companies, which may in turn have a negative impact on the business of the Group and the entire financial printing industry to a certain extent. The Group, however, firmly believes that there will still be a sustainable demand for periodic financial documents which the Group is well-positioned to capitalise on such opportunities with its strong and long-lasting relationships with its customers.

Coping with the above challenges, the Group will continue to leverage on its competitive edges in branding and networking to further expand our customer base while optimising our professional services. We will forge ahead against all odds in order to bring the highest returns to our shareholders.

DIVIDENDS

An interim dividend of HK2.5 cents per Share was paid to its shareholders by the Company during the year ended 31 March 2020 (2019: nil).

The Board does not recommend the payment of any final dividend for the year ended 31 March 2020 (2019: a final dividend of HK2.5 cents per Share and a special dividend of HK7.5 cents per Share).

Chairman's Statement

DIVIDEND POLICY

Upon balancing the return to the Shareholders and the need for long-term sustainable development of the Group, the Board has formulated a healthy dividend payout policy to retain sufficient working capital while sharing the results with our Shareholders in the future.

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to our customers, business partners and Shareholders for their continuous support for and trust in the Group. I also wish to express my heartfelt appreciation to all of our staff for their dedication and hard work throughout the year.

Lam Kim Wan
Chairman

Hong Kong, 30 June 2020

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a financial printing service provider in Hong Kong and mainly provides typesetting, design, translation, printing and delivery services in relation to financial reports, announcements, shareholder circulars, debt offering circulars, IPO prospectuses and fund documents. The Group's business is mainly conducted through its two wholly-owned subsidiaries, namely A.Plus Financial Press Limited ("APF") and A.Plus International Financial Press Limited ("API"). APF mainly focuses on documents relating to continuous listing compliance obligations of companies listed on 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 2020, revenue generated from this segment amounted to approximately HK$74.8 million, which remained relatively stable as compared with approximately HK$73.9 million in the previous year. For the years ended 31 March 2020 and 2019, the revenue generated from this segment represented approximately 51.0% and 46.3% 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 2020, revenue generated from this segment amounted to approximately HK$34.3 million, representing a decrease of approximately 25.2% as compared with approximately HK$45.8 million in the previous year, which was mainly attributable to decrease in market demand for services in relation to the publication of shareholder circulars due to listed companies in Hong Kong becoming more reluctant in conducting corporate actions amid the uncertainties in the global economy and the Hong Kong financial market. For the years ended 31 March 2020 and 2019, the revenue generated from this segment represented approximately 23.4% and 28.7% 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 2020, revenue generated from this segment amounted to approximately HK$31.0 million, which remained relatively stable as compared with approximately HK$31.1 million in the previous year. For the years ended 31 March 2020 and 2019, the revenue generated from this segment represented approximately 21.2% and 19.5% of the Group's total revenue respectively.

Management Discussion and Analysis

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 2020, revenue generated from this segment amounted to approximately HK$2.6 million, representing a decrease of approximately 17.1% as compared with approximately HK$3.2 million in the previous year. For the years ended 31 March 2020 and 2019, the revenue generated from this segment represented approximately 1.8% and 2.0% 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 2020, revenue generated from this segment amounted to approximately HK$3.8 million, representing a decrease of approximately 33.7% as compared with approximately HK$5.8 million in the previous year, which was mainly attributable to the decrease in market demand for other services such as standalone translations, design and production of different types of reports, newsletters, leaflets, brochures, etc. as a result of uncertainties in the global economy and the Hong Kong financial market. For the years ended 31 March 2020 and 2019, the revenue generated from this segment represented approximately 2.6% and 3.6% of the Group's total revenue respectively.

FUTURE PROSPECTS

Going forward, the global economy and the Hong Kong financial market is expected to be clouded by uncertainties arising from the escalating Sino-US trade dispute and the novel coronavirus pandemic. The weakened market sentiment and investor confidence dampen both fund-raising exercises and corporate actions by local listed companies, which may in turn have a negative impact on the business of the Group and the entire financial printing industry to a certain extent. The Group, however, firmly believes that there will still be a sustainable demand for periodic financial documents which the Group is well-positioned to capitalise on such opportunities with its strong and long-lasting relationships with its customers.

Coping with the above challenges, the Group will continue to leverage on its competitive edges in branding and networking to further expand our customer base while optimising our professional services. We will forge ahead against all odds in order to bring the highest returns to our shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately HK$159.7 million for the year ended 31 March 2019 to approximately HK$146.6 million for the year ended 31 March 2020, representing a decrease of approximately 8.2%. The decrease was primarily attributable to the decrease in revenue from company announcements and shareholder circulars segment amounting to approximately HK$11.5 million and decrease in revenue from others segment amounting to approximately HK$2.0 million, such decreases was partly offset by the increase in revenue from results announcements and financial reports segment amounting to approximately HK$0.9 million.

Cost of services

The Group's cost of services mainly include staff cost, translation cost and printing cost, which represented approximately 42.6%, 28.6% and 25.3% of the Group's total cost of services for the year ended 31 March 2020 respectively. The Group's cost of services decreased from approximately HK$73.1 million for the year ended 31 March 2019 to approximately HK$70.4 million for the year ended 31 March 2020, representing a decrease of approximately 3.7%.

The decrease in cost of services was mainly attributable to the decrease in translation cost amounting to approximately HK$6.8 million and partly offset by the increase in staff cost amounting to approximately HK$3.1 million. Such decrease was generally in line with the decrease in the Group's revenue during the year.

Gross profit

The Group's gross profit decreased from approximately HK$86.6 million for the year ended 31 March 2019 to approximately HK$76.1 million for the year ended 31 March 2020, representing a decrease of approximately 12.1%. Such decrease was mainly attributable to the decrease in revenue from company announcements and shareholder circulars segment and others segment, such decreases was partly offset by the increase in revenue from results announcements and financial reports segment. The Group's gross profit margin was approximately 54.2% and approximately 52.0% for the years ended 31 March 2019 and 2020 respectively, which remained relatively stable.

Other income

The Group's other income for the year ended 31 March 2020 was approximately HK$3.4 million, representing an increase of approximately HK$1.8 million as compared with approximately HK$1.6 million for the year ended 31 March 2019, which was mainly attributable to the increase in reversal of impairment loss of trade receivable of approximately HK$0.9 million.

Selling and distribution expenses

The Group's selling and distribution expenses was approximately HK$15.4 million for the year ended 31 March 2020, which remained relatively stable as compared with approximately HK$15.3 million for the year ended 31 March 2019.

Management Discussion and Analysis

Administrative expenses

The Group's administrative expenses decreased from approximately HK$36.4 million for the year ended 31 March 2019 to approximately HK$30.2 million for the year ended 31 March 2020. The decrease was mainly attributable to the absense of the one-off expenses in connection with the Transfer of approximately HK$4.5 million recorded during the year ended 31 March 2019.

Impairment loss of trade receivables

The Group's impairment loss of trade receivables was approximately HK$3.2 million for the year ended 31 March 2020, which remained relatively stable as compared with approximately HK$2.8 million for the year ended 31 March 2019.

Finance costs

The Group's finance costs for the year ended 31 March 2020 increased by approximately HK$0.2 million, which was due to the increase in lease liabilities as at 31 March 2020 after the initial application of HKFRS 16 on 1 April 2019.

Income tax expenses

The Group's income tax expenses decreased from approximately HK$6.0 million for the year ended 31 March 2019 to approximately HK$4.7 million for the year ended 31 March 2020. Such decrease was mainly attributable to the decrease in profit before taxation.

Profit for the year

Profit after tax of the Group decreased by approximately 6.5% from approximately HK$27.7 million for the year ended 31 March 2019 to approximately HK$25.9 million for the year ended 31 March 2020. Such decrease was mainly attributable to the decrease in revenue mainly resulting from the uncertainties in the global economy and the Hong Kong financial market, which was partly offset by the absence of the one-off expenses in connection with the Transfer recorded during the year ended 31 March 2019. The net profit margin of the Group was approximately 17.7% for the year ended 31 March 2020, which remained relatively stable as compared with approximately 17.4% for the year ended 31 March 2019.

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

As at 31 March 2019 and 2020, the Group had net current assets of approximately HK$139.3 million and HK$118.3 million respectively. As at 31 March 2019 and 2020, the Group had cash and cash equivalents of approximately HK$116.8 million and HK$105.2 million respectively. As at 31 March 2019 and 2020, 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 1.1% (2019: not applicable) due to the increase in lease liabilities as at 31 March 2020 after the initial application of HKFRS 16 on 1 April 2019.

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 2020.

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 2020.

CONTINGENT LIABILITIES

As at 31 March 2019 and 2020, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2020, the Group had a total of 97 full time employees (31 March 2019: 102) and the average number of staff remained unchanged at 99 for the years ended 31 March 2019 and 2020. For the year ended 31 March 2020, the Group incurred staff costs, including Directors' remuneration, of approximately HK$53.9 million (2019: approximately HK$50.7 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 2020, 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 2020, the Group has no capital commitment (2019: nil).

CHARGES ON GROUP ASSETS

As at 31 March 2020, the Group had no charges on the Group's assets (2019: 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.

Management Discussion and Analysis

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 does not expose 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

Since January 2020, the outbreak of Coronavirus Disease 2019 ("COVID-19") has had an adverse impact on the global business environment. Due to the inherent nature and the unpredictability of future development of COVID-19 and market sentiment, the Directors consider that the impact of COVID-19 on the Group's operations and financial position cannot be reasonably assessed. Pending the development and spread of COVID-19 subsequent to the date of these consolidated financial statements, the Directors will continue to assess the impact of COVID-19 on the Group's operations and financial position and closely monitor the Group's exposure to the risks and uncertainties in connection with the pandemic.

DIVIDENDS

An interim dividend of HK2.5 cents per Share was paid to its shareholders by the Company during the year ended 31 March 2020 (2019: nil).

The Board does not recommend the payment of any final dividend for the year ended 31 March 2020 (2019: a final dividend of HK2.5 cents per Share and a special dividend of HK7.5 cents per Share).

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Lam Kim Wan (林劍雲), aged 54, has been a director of APF since May 2002 and was appointed as a Director on 20 April 2015. He was redesignated as an executive Director and appointed as the chairman of the Company on 23 March 2016. He is also the chairman of the nomination committee and a member of the remuneration committee of the Company. He is one of the founders of the Group and a director of API. He is primarily responsible for overseeing the corporate strategy and sales and marketing of the Group.

Mr. Lam was awarded a Higher Diploma in Business Studies from the City University of Hong Kong (formerly known as City Polytechnic of Hong Kong) in November 1990. He has over 24 years of experience in the financial printing industry in Hong Kong.

Mr. Fong Wing Kong (方永光), aged 53, has been a director of APF since May 2002 and was appointed as a Director on 20 April 2015. He was redesignated as an executive Director and the chief financial officer of the Company on 23 March 2016 and was further redesignated as an executive Director and chief executive officer of the Company on 10 August 2017. He is one of the founders of the Group and a director of API. He is primarily in charge of the Group's overall daily operations, including operational management and operations of finance and accounting of the Group.

Mr. Fong obtained a Bachelor of Business Administration (Honours) degree in Marketing from the Hong Kong Baptist University in November 1990, a Master of Arts degree in Information System from City University of Hong Kong in December 1996, a Postgraduate Diploma in Hotel and Tourism Management at the Hong Kong Polytechnic University in August 2003 and a Postgraduate Diploma in Professional Accounting from The Open University of Hong Kong in June 2007. He became a member of the Hong Kong Institute of Certified Public Accountants in January 2010. He has over 24 years of experience in management and business development.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yue Ming Wai Bonaventure (余銘維), aged 52, was appointed as an independent non-executive Director on 23 March 2016. He is also the chairman of the audit committee and a member of the remuneration and nomination committees of the Company. He has over 28 years of experience in accounting, auditing, finance and compliance.

Mr. Yue obtained a Bachelor of Business Administration (Honours) degree in Accounting from the Hong Kong Baptist University in November 1990 and was awarded a Master of Science degree in Accounting and Finance from The University of Manchester in December 1994. He was admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Accountants in England and Wales in February 2002, November 2005 and February 2015 respectively. He was also admitted as a member of Chartered Accountants Australia and New Zealand in January 2008 and a member certified in entity and intangible valuations by the American Institute of Certified Public Accountants in October 2017.

Mr. Yue is the chief financial officer and company secretary of Feishang Anthracite Resources Limited (stock code: 1738), a company listed on the Stock Exchange, since January 2014 and an executive director of such company, since May 2015 and (a) an executive director of China Natural Resources, Inc. (stock code: CHNR), a company listed in the National Association of Securities Dealers Automated Quotations (commonly known as NASDAQ), since August 2016; and (b) an independent non-executive director of Palace Banquet Holdings Limited (stock code: 1703), a company listed on the Stock Exchange, since January 2019.

Ms. Sze Tak On (施得安), aged 50, was appointed as an independent non-executive Director on 23 March 2016. She is also a member of each of the audit, remuneration and nomination committees of the Company. She has over 25 years of experience in accounting, auditing, finance and compliance.

Ms. Sze obtained a Bachelor of Business Administration degree from the Lingnan University in Hong Kong (formerly known as Lingnan College Hong Kong) in November 1998 and in November 2003, she obtained a Master of Corporate Finance degree from the Hong Kong Polytechnic University. In January and February 2001, she was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Taxation Institute of Hong Kong respectively. In March 2001, she was admitted as a member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. In May 2004, she was admitted as a fellow member of the Association of Chartered Certified Accountants.

Ms. Sze is the financial controller and company secretary of Century Legend (Holdings) Limited (stock code: 79), a company listed on the Stock Exchange, since January and July 2004 respectively.

Mr. Leung Siu Hong (梁兆康), aged 44, was appointed as an independent non-executive Director on 23 March 2016. He is also the chairman of the remuneration committee and a member of the audit and nomination committees of the Company. He has over 22 years of experience in accounting, auditing, finance and compliance.

Mr. Leung obtained a designated degree of Master of Arts in Accountancy from the University of Aberdeen, Scotland, the United Kingdom in October 1997. He also obtained a Master of Corporate Governance degree from the Hong Kong Polytechnic University in October 2011 and a Master of Science degree in Financial Analysis from the Hong Kong University of Science and Technology in June 2014. He is a fellow member of the Hong Kong Institute of Certified Public Accountants since February 2010 and the Association of Chartered Certified Accountants since May 2007. He is also a fellow member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries since July 2013.

Mr. Leung is the financial controller and company secretary of China Starch Holdings Limited (stock code: 3838), a company listed on the Stock Exchange, since February 2008. He was (a) an independent non-executive director of China Partytime Culture Holdings Limited (stock code: 1532), a company listed on the Stock Exchange, for the period from August 2015 to June 2019; (b) an independent non-executive director of Legend Strategy International Holdings Group Company Limited (stock code: 1355), a company listed on the Stock Exchange, for the period from June 2015 to March 2017; and (c) an independent non-executive director of Sanroc International Holdings Limited (currently known as Zhaobangji Properties Holdings Limited) (stock code: 1660), a company listed on the Stock Exchange, for the period from January 2017 to April 2018; and (d) an independent non-executive director of Sun Car Insurance Agency Co., Ltd. ("Sun Car") (Stock code: 831566), a company listed in the National Equities Exchange and Quotations, for the period from 25 October 2018 to 18 May 2020.

Biographical Details of Directors and Senior Management

COMPANY SECRETARY

The company secretary of the Company is Mr. Wun Chun Wai. Biographical details of Mr. Wun are set out in the sub-section headed "Senior Management" under this section of this report.

COMPLIANCE OFFICER

Mr. Fong Wing Kong was appointed as the compliance officer of the Company on 8 July 2015. Biographical details of Mr. Fong are set out in the sub-section headed "Executive Directors" under this section of this report.

SENIOR MANAGEMENT

Mr. Wong Tat Lun Eddie (黃達麟), aged 47, has been with the Group since its commencement of business in May 2002 and is currently the marketing director of APF. He is mainly responsible for the development and execution of strategic plans for business development, overseeing the operation of the marketing function of APF. He has over 21 years of experience in customer service, sales coordination and management in the financial printing industry in Hong Kong.

Mr. Lee Man Kin (李文健), aged 53, joined the Group in July 2002 and is currently the sales director of APF. He is mainly responsible for the development and execution of strategic plans in order to achieve key growth sales target and for overseeing the operation of the sales function of APF. He has over 29 years of experience in the general sales and marketing industry in Hong Kong.

Mr. Lim Boon Yew (林文耀), aged 45, joined API in January 2012 as the general manager and head of sales and marketing and was appointed as a director of API in February 2013. Mr. Lim's primary duties are the general management and sales and marketing of API. He has over 20 years of experience in the financial printing industry in Singapore, Hong Kong and Beijing, the People's Republic of China.

Mr. Lim obtained a Bachelor of Engineering degree from the Nanyang Technological University, Singapore, in July 1999 and a Master of Business Administration degree from the University of Chicago Booth School of Business, the United States of America, in March 2008.

Mr. Lim is on the executive committee of the Singapore Chamber of Commerce (Hong Kong). He also serves on the committee of the Chicago Booth Alumni Club of Hong Kong.

Mr. Lim is an independent non-executive director of ZACD Group Ltd. (stock code: 8313), a company listed on GEM of the Stock Exchange, since 31 January 2019.

Mr. Cheung Hok Wai (張學偉), aged 54, joined API in February 2013 as the director of API. Mr. Cheung, who is a practising certified public accountant, is mainly responsible for providing recommendations to API in relation to business strategy and financial management.

Mr. Cheung has over 30 years of experience in auditing, accounting, finance and compliance. He obtained a Bachelor of Science degree in Economics from the University of London, the United Kingdom in August 1991. He also obtained a Master of Business Administration degree from the Hong Kong Baptist University in December 2001. He has been an associate member of the Hong Kong Institute of Certified Public Accountants since April 1992 and a fellow member of The Association of Chartered Certified Accountants since January 1997.

Mr. Wun Chun Wai (溫駿偉), aged 40, joined the Group in March 2015 and is currently the financial controller of the Company. He also acts as the company secretary of the Company since 10 August 2016. He is mainly responsible for the overall management and operations of finance and accounting of the Group. He obtained a Bachelor of Commerce (Accounting) degree from the Curtin University of Technology in Commonwealth of Australia in February 2006. He became a full member of CPA Australia in November 2010 and a member of the Hong Kong Institute of Certified Public Accountants in September 2015. He has over 14 years of experience in accounting, auditing and finance.

Ms. Chiu Li Yen (丘麗燕), aged 49, joined the Group in January 2015 as the chief information officer. She is mainly responsible for the information technology and computer systems that support the overall operations of the Group. She obtained a Bachelor of Science degree in Computer Science from the University of Portsmouth, the United Kingdom in 1994. She has over 24 years of experience in information technology sector.

Directors' Report

The Directors are pleased to present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of financial printing services in Hong Kong. The activities of the Company's principal subsidiaries are the provision of financial printing services.

BUSINESS REVIEW

Further discussion and analysis of the business of the Group, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this report. These discussions form part of this Directors' report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on page 50 of this report.

An interim dividend of HK2.5 cents per Share was paid to its shareholders by the Company during the year ended 31 March 2020 (2019: nil).

The Board does not recommend the payment of any final dividend for the year ended 31 March 2020 (2019: a final dividend of HK2.5 cents per Share and a special dividend of HK7.5 cents per Share).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 14 August 2020 to Wednesday, 19 August 2020, 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 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 13 August 2020 for registration.

DISTRIBUTABLE RESERVES

As at 31 March 2020, the total reserves available for distribution, taking into account retained profits, to Shareholders by the Company amounted to approximately HK$93.4 million (2019: HK$117.5 million). Details of the movements in the reserves of the Group and of the Company during the year ended 31 March 2020 are set out in the consolidated statement of changes in equity and the note 31 to the consolidated financial statements in this report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 102 of this report.

PLANT AND EQUIPMENT

Details of the movements in the plant and equipment of the Group during the year ended 31 March 2020 are set out in note 17 to the consolidated financial statements of this report.

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the movements in share capital and share option scheme of the Company during the year ended 31 March 2020 are set out in note 25 and note 26 to the consolidated financial statements of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company (the "Articles of Association"), and there is no restriction against such rights under the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Directors' Report

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 2020.

DIRECTORS

The Directors during the year ended 31 March 2020 and up to the date of this report were:

Executive Directors:
Mr. Lam Kim Wan
Mr. Fong Wing Kong

Independent Non-executive Directors:
Mr. Yue Ming Wai Bonaventure
Ms. Sze Tak On
Mr. Leung Siu Hong

In accordance with Articles 84(1) of the Articles of Association, Mr. Fong Wing Kong and Mr. Yue Ming Wai Bonaventure shall retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-election.

The Company has received annual confirmation from each of the independent non-executive Directors in regards to their independence to the Company pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers that each of the independent non-executive Directors is independent to the Company.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company on 23 March 2016 and renewed it on 23 March 2019 for a term of three years and renewable automatically for successive terms of one year each commencing from the day after the expiry of the then current term of appointment, unless it is terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company on 23 March 2016 and renewed it on 1 April 2019, which shall continue until 31 March 2022, unless it is terminated by either party giving at least one month's notice in writing served by either party on the other.

All Directors are subject to rotation and re-election at annual general meetings of the Company at least once every three years pursuant to the Articles of Association.

No Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract/letter of appointment with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

UPDATES OF DIRECTORS' INFORMATION

The following is the updated information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

CHANGE IN OTHER DIRECTORSHIP IN PUBLIC COMPANIES, THE SECURITIES OF WHICH ARE LISTED ON THE STOCK EXCHANGE OR ANY SECURITIES MARKET OVERSEAS

NAME OF DIRECTOR	DETAILS OF CHANGES
Mr. Leung Siu Hong	Retired as an independent non-executive director of Sun Car (Stock code: 831566), a company listed in the National Equities Exchange and Quotations, on 18 May 2020.

CHANGES IN DIRECTORS' EMOLUMENTS

Details of the changes in directors' emoluments during the year ended 31 March 2020 are set out in note 13 to the consolidated financial statements of this report.

Directors' Report

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

As at 31 March 2020, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) (the "SFO") which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, are as follows:

Long position in the shares of the Company

NAME OF DIRECTORS	LONG/SHORT POSITION	CAPACITY	NUMBER OF SHARES HELD	APPROXIMATE PERCENTAGE OF ISSUED SHARE CAPITAL
Mr. Lam Kim Wan	Long position	Interest in a controlled corporation	233,160,000 (Note)	58.3%
Mr. Fong Wing Kong	Long position	Interest in a controlled corporation	233,160,000 (Note)	58.3%
Mr. Yue Ming Wai Bonaventure	Long position	Beneficial interest	580,000	0.1%

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

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

NAME OF DIRECTORS	LONG/SHORT POSITION	CAPACITY	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL
Mr. Lam Kim Wan	Long position	Beneficial interest	200	50.0%
Mr. Fong Wing Kong	Long position	Beneficial interest	200	50.0%

As at 31 March 2020, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as at 31 March 2020, none of the Directors or chief executive of the Company had any interest or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 March 2020, the following persons/entities (other than the Directors and chief executives of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long position in the shares of the Company

NAME	LONG/SHORT POSITION	CAPACITY	NUMBER OF SHARES HELD	APPROXIMATE PERCENTAGE OF ISSUED SHARE CAPITAL
Brilliant Ray Global Limited	Long position	Beneficial owner	233,160,000 (Note 1)	58.3%
Majestic Praise Enterprises Limited	Long position	Beneficial owner	24,000,000 (Note 2)	6.0%
Mr. Lim Boon Yew	Long position	Interest in a controlled corporation	24,000,000 (Note 2)	6.0%
Long Set Investments Limited	Long position	Beneficial owner	20,770,000 (Note 3)	5.2%
SHK Hong Kong Industries Limited	Long position	Interest in a controlled corporation	20,770,000 (Note 3)	5.2%
Allied Group Limited	Long position	Interest in a controlled corporation	20,770,000 (Note 3)	5.2%
Mr. Lee Seng Huang	Long position	Interest in a controlled corporation	20,770,000 (Note 3)	5.2%
Mr. Lee Seng Hui	Long position	Interest in a controlled corporation	20,770,000 (Note 3)	5.2%
Ms. Lee Su Hwei	Long position	Interest in a controlled corporation	20,770,000 (Note 3)	5.2%

Notes:

1. Brilliant Ray Global Limited is owned as to 50.0% by Mr. Lam and 50.0% by Mr. Fong. Under the SFO, each of Mr. Lam and Mr. Fong is deemed to be interested in all the 233,160,000 shares in the Company held by Brilliant Ray Global Limited.

2. Majestic Praise Enterprises Limited is wholly-owned by Mr. Lim Boon Yew. Under the SFO, Mr. Lim Boon Yew is deemed to be interested in all the 24,000,000 shares in the Company held by Majestic Praise Enterprises Limited.

3. According to the Disclosure of Interest filed at the Stock Exchange's website, Long Set Investments Limited is wholly-owned by SHK Hong Kong Industries Limited, which in turn is owned as to 74.97% by Bright Clear Limited. Bright Clear Limited is wholly-owned by Allied Holding Investments Limited, which in turn is wholly-owned by Allied Group Limited. According to the annual report of Allied Group Limited for the year ended 31 December 2019, the ultimate controlling shareholder of Allied Group Limited (which owned as to 74.95%) is the trustees of Lee and Lee Trust, being Lee Seng Hui, Lee Su Hwei and Lee Seng Huang. Under the SFO, each of SHK Hong Kong Industries Limited, Allied Group Limited, Lee Seng Hui, Lee Su Hwei and Lee Seng Huang is deemed to be interested in all the 20,770,000 shares in the Company held by Long Set Investments Limited.

Directors' Report

Save as disclosed above, as at 31 March 2020, none of the substantial or significant Shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations" above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

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

No options were granted since the Adoption Date and up to the date of this report. As of the date of this report, the Company had 40,000,000 shares available for issue under the Scheme (representing 10% of the existing issued share capital of the Company as at the date of this report). Details of the Scheme are disclosed in note 26 to the consolidated financial statements of this report.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2020, there is no continuing connected transaction entered into by the Group which is required under the Listing Rules to be disclosed in the annual report of the Company.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 29 to the consolidated financial statements of this report. None of these related party transactions constitutes a discloseable connected transaction as defined under Chapter 14A of the Listing Rules for the year ended 31 March 2020.

DEED OF NON-COMPETITION

On 23 March 2016, Brilliant Ray Global Limited, Mr. Lam and Mr. Fong (being controlling Shareholders,) entered into a deed of non-competition ("Deed of Non-Competition") in favour of the Company (for itself and as trustee for each of the subsidiaries), pursuant to which each of Brilliant Ray Global Limited, Mr. Lam and Mr. Fong, jointly and severally, warrants and undertakes with the Company that, from the date of listing of the Shares, he/it shall not, and shall procure his/its close associates and any company directly or indirectly controlled by him/it (other than the Group) not to directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of the Group) to conduct any business which, directly or indirectly, competes or may compete with the business presently carried on by the Company or any of its subsidiaries or any other business that may be carried on by any of them from time to time during the term of the Deed of Non-Competition, in Hong Kong or such other places as the Company or any of its subsidiaries may conduct or carry on business from time to time, including but not limited to provision of financial printing services and translation services to companies listed on the Stock Exchange and other stock exchange, financial institutes or intermediaries. For details of the Deed of Non-Competition, please refer to the section headed "Relationship with Controlling Shareholders" in the prospectus of the Company dated 31 March 2016.

Brilliant Ray Global Limited, Mr. Lam and Mr. Fong have all confirmed to the Company of its/his compliance with the Deed of Non-Competition during the year ended 31 March 2020 and up to the date of this report. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied by each of Brilliant Ray Global Limited, Mr. Lam and Mr. Fong and duly enforced during the year ended 31 March 2020 and up to the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers collectively accounted for approximately 6.6% of the total revenue of the Group for the year ended 31 March 2020 (2019: approximately 7.8%) and the Group's largest customer accounted for approximately 1.8% of the total revenue of the Group for the year ended 31 March 2020 (2019: approximately 2.0%).

The Group's top five suppliers accounted for approximately 28.5% of the total cost of services of the Group for the year ended 31 March 2020 (2019: approximately 32.9%) and the Group's largest supplier accounted for approximately 8.4% of the total cost of services of the Group for the year ended 31 March 2020 (2019: approximately 13.7%).

None of the Directors and their respective close associates (within the meaning of the Listing Rules) or any Shareholder who, to the knowledge of the Directors, owns more than 5% of the Company's issued shares has any interest in any of the Group's five largest customers or five largest suppliers for the year ended 31 March 2020.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 March 2020.

There is no contract of significance to the business of the Group between the Company or any of its subsidiaries, or a controlling Shareholder or any of its subsidiaries, to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a part, during the year ended 31 March 2020. No contract of significance for the provision of services to the Group by a controlling Shareholder or any of its subsidiaries were made during the year ended 31 March 2020.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this report, none of the Directors and controlling Shareholders or their respective close associates (as defined in the Listing Rules) has any interest in a business that competes or may compete with the business of the Group during the year ended 31 March 2020 and up to the date of this report.

PERMITTED INDEMNITY

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

Directors' Report

A directors' liability insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year ended 31 March 2020.

DIRECTORS' REMUNERATIONS

Emoluments of Directors are determined by the Board with reference to Director's duties, responsibilities and performance and results of the Group. Details of the remuneration of Directors are set out in note 13 to the consolidated financial statements of this report.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2020 amounted to HK$7,750 (2019: HK$42,000).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is a sufficient public float of at least 25% of the Company's issued shares as required under the Listing Rules throughout the year ended 31 March 2020 and up to the date of this report.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2020 have been reviewed by the audit committee of the Company.

AUDITORS

SHINEWING (HK) CPA Limited will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company. There has been no change in the Company's auditors in any of the preceding three years.

ENVIRONMENTAL POLICIES, PERFORMANCE AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to maintaining the long term sustainability of the environment and devoted to building an environmentally-friendly corporation. The Group implements policies and practices to achieve resources conservation, energy saving and waste reduction, so as to minimise its impact on the environment.

The Group and its activities are subject to requirements under various laws in Hong Kong. The Group has put in place in-house rules containing measures and work procedures to ensure that the Group's operation is in compliance with the applicable laws and regulations.

On behalf of the Board

Lam Kim Wan
Chairman

Hong Kong, 30 June 2020

Corporate Governance Report

The Company is committed to achieving high standards of corporate governance. The Directors believe that good corporate governance is essential for the continued growth of the Group and for safeguarding and maximising Shareholders' interests.

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 2020, the Company has complied with all the code provisions as set out in the CG Code.

BOARD OF DIRECTORS

Responsibilities of the Board and Management

The Company has a division of functions reserved to the Board and delegated to the management and these arrangements are reviewed periodically to ensure that they remain appropriate to the Company's needs. The overall management of the business of the Group is vested in the Board which assumes responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs. The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's business to the executive Directors and senior management.

The Board is responsible for determining the policy for corporate governance of the Company and performing corporate governance duties such as:

(a) developing and reviewing the Company's policies and practices on corporate governance;

(b) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(c) reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirement;

(d) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) reviewing the Company's compliance with the CG Code.

The company secretary of the Company assists the chairman of the Board in preparing the agenda for Board meetings. All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary of the Company, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

Mr. Lam serves as the chairman of the Board and is responsible for leading the Board as well as overseeing the corporate strategy and sales and marketing of the Group while Mr. Fong, the chief executive officer of the Company, is responsible for overseeing the operational management of the Group's business. The delegated functions and work tasks of the executive Directors and other senior management are periodically reviewed by the Board after being reported on by management.

The Company has arranged for appropriate insurance cover in respect of legal actions against the Board and to indemnify its Directors for their legal liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Composition

The Company has adopted a board diversity policy to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board has in its composition a balance of skills, expertise, qualifications, experience and diversity of perspectives necessary for independent decision making and fulfilling its business needs. All Board appointments will continue to be made on a merit basis with due regard to the benefits of diversity of the Board members.

The nomination committee of the Company will follow a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be made in consideration of the possible contributions that the selected candidates will bring to the Board.

As at the date of this report, the Board comprises five members, consisting of two executive Directors, Mr. Lam Kim Wan (chairman of the Board) and Mr. Fong Wing Kong, and three independent non-executive Directors, Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong.

The biographical details of each of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this report.

Corporate Governance Report

Independent Non-executive Directors

The Company has three independent non-executive Directors, representing at least one-third of the Board members as required under Rules 3.10(1) and 3.10A, respectively of the Listing Rules. The Company also fulfilled the requirement that at least one independent non-executive Director possesses appropriate professional qualifications, or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Company has received from each of the independent non-executive Directors a confirmation of his/her independence, in accordance with Rule 3.13 of the Listing Rules. The Company also considers that they are independent. None of the members of the Board are related to one another or have any financial, business, family or other material or relevant relationships with each other.

The independent non-executive Directors provide independent judgement to bear on issues of strategy, policy, performance, accountability, resource, key appointments and standard of conduct through their contributions at Board meetings.

The independent non-executive Directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive Directors will scrutinize the performance of the Company in achieving corporate goals and objectives and monitor performance reporting. By doing so, they are able to contribute positively to the Company's strategy and policies through independent, constructive and informed comments at Board and committee meetings.

The Board values the contribution of the independent non-executive Directors, and strives to ensure constructive relations between them and the executive Directors. All Directors are encouraged to contribute their views during Board meetings.

Appointment and Re-election of Directors

The Company has established formal, considered and transparent procedures for the appointment and succession planning of Directors. Any Board member is entitled to recommend suitable candidates that meet the requirements of the Listing Rules for consideration by the Board. Each of the executive Directors has entered into a service contract with the Company on 23 March 2016 and renewed it on 23 March 2019 for a term of three years and renewable automatically for successive terms of one year each commencing from the day after the expiry of the then current term of appointment, unless it is terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company on 23 March 2016 and renewed it on 1 April 2019, which shall continue until 31 March 2022, unless it is terminated by either party giving at least one month's notice in writing served by either party on the other.

Pursuant to the Articles of Association, the Directors shall hold office subject to retirement by rotation at the annual general meetings of the Company at least once every three years. In addition, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election in such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Training for Directors and Company Secretary and Continuing Professional Development

Each newly appointed director receives comprehensive, formal induction to ensure that he/she has appropriate understanding of the business of the Group and his/her responsibilities and obligations under statute and common law, the Listing Rules and relevant regulatory requirements. Each of the Directors should keep abreast of the responsibilities as a Director, and of the conduct, business activities and developments of the Company.

Directors are aware of the code provision A.6.5 of the CG Code regarding continuing professional development for directors. The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses and they have been requested to provide the Company their training records. According to the training records maintained by the Company, the trainings received by each of the Directors during the year ended 31 March 2020 is summarized as follows:

NAME OF DIRECTOR	TYPE OF TRAININGS
Executive Directors	
Mr. Lam Kim Wan	A, B
Mr. Fong Wing Kong	A, B
Independent Non-executive Directors	
Mr. Yue Ming Wai Bonaventure	A, B
Mr. Leung Siu Hong	A, B
Ms. Sze Tak On	A, B

A: Attending seminars/conferences/forums

B: Reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

Corporate Governance Report

BOARD COMMITTEES

The Board established three committees, namely the audit, remuneration and nomination committees on 23 March 2016, to oversee particular aspects of the Group's affairs. Each of the three committees has its specific terms of reference relating to authority and duties.

All members of the audit committee and the majority of members of the remuneration and nomination committees are independent non-executive Directors.

The Board committees are provided with sufficient resources to perform their duties, and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense. The Board committees will report back to the Board on their decisions or recommendations.

Audit Committee

The audit committee of the Company ("Audit Committee") was established on 23 March 2016 with written terms of reference in compliance with the Listing Rules and the CG Code, which is posted on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.aplusgp.com. The Audit Committee comprises three independent non-executive Directors, namely Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong. The chairman of the Audit Committee is Mr. Yue Ming Wai Bonaventure, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. None of the members of the Audit Committee are former partners of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

(a) to make recommendations to the Board on the appointment, reappointment and removal of external auditors.

(b) to review and supervise the financial statements and material advice in respect of financial reporting process of the Group.

(c) to oversee the financial reporting system, internal control procedures and risk management of the Group.

(d) to monitor any continuing connected transactions.

During the year ended 31 March 2020, the Audit Committee held four meetings, during which it: i) approved SHINEWING (HK) CPA Limited as the auditors of the Group and the corresponding audit plan; ii) reviewed the financial statements for the year ended 31 March 2019, three months ended 30 June 2019, six months ended 30 September 2019 and nine months ended 31 December 2019; iii) reviewed the financial control, internal control and risk management system, and financial and accounting policies and practices of the Group; and iv) discussed and appraised the audit process and its effectiveness, audit fees and the independence and objectivity of the auditors of the Group for the year ended 31 March 2020 and recommended the re-appointment of external auditors to the Board. The attendance record of each member at the four Audit Committee meetings is set out below:

MEMBERS OF THE AUDIT COMMITTEE	ATTENDANCE/ NO. OF MEETING
Mr. Yue Ming Wai Bonaventure *(Chairman of the Audit Committee)*	4/4
Ms. Sze Tak On	4/4
Mr. Leung Siu Hong	4/4

Minutes of Audit Committee meetings are kept by the company secretary of the Company. The draft and final version of the minutes of meetings are sent to all committee members for comments and records respectively within a reasonable time after the meeting. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Sufficient resources are provided by the Company for the Audit Committee to perform its duties.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, removal, resignation or dismissal of the external auditors.

Remuneration Committee

The remuneration committee of the Company ("Remuneration Committee") was established on 23 March 2016 with written terms of reference in compliance with the Listing Rules and the CG Code, which is posted on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.aplusgp.com. The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Leung Siu Hong, Mr. Yue Ming Wai Bonaventure and Ms. Sze Tak On, and one executive Director, namely Mr. Lam Kim Wan. The chairman of the Remuneration Committee is Mr. Leung Siu Hong.

Corporate Governance Report

The main duties of the Remuneration Committee include the following:

(a) to review and make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group after consultation with the executive Directors and access to professional advice, at the Group's expense, when necessary.

(b) to oversee other remuneration-related matters, including benefits-in-kind and other compensation payable to the Directors and senior management of the Group.

(c) to review performance-based remunerations and to establish a formal and transparent procedure for developing policy in relation to remuneration which will be determined by reference to the performance of the individual and the Group as well as market practice and conditions.

The Company's remuneration policy is to maintain competitive remuneration packages based on business needs and market practices. Factors such as qualification, experience, performance and time commitment of individual employee and salaries paid by comparable companies are taken into account during the remuneration package determination process.

The Remuneration Committee normally meets shortly after the end of each financial year to review the remuneration policy and structure and determination of the annual remuneration packages of all Directors and senior management and other related matters.

During the year ended 31 March 2020, the Remuneration Committee held one meeting during which it reviewed the remuneration policy of the executive Directors, the independent non-executive Directors and senior management, assessed performance of the executive Directors and reviewed the terms of executive Directors' service contracts. The attendance record of each member at the Remuneration Committee meeting is set out below:

MEMBERS OF THE REMUNERATION COMMITTEE	ATTENDANCE/ NO. OF MEETING
Mr. Leung Siu Hong *(Chairman of the Remuneration Committee)*	1/1
Mr. Yue Ming Wai Bonaventure	1/1
Ms. Sze Tak On	1/1
Mr. Lam Kim Wan	1/1

Nomination Committee

The nomination committee of the Company ("Nomination Committee") was established on 23 March 2016 with written terms of reference in compliance with the Listing Rules and the CG Code, which is posted on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.aplusgp.com. The Nomination Committee comprises one executive Director, namely Mr. Lam Kim Wan, and three independent non-executive Directors, namely Mr. Yue Ming Wai Bonaventure, Ms. Sze Tak On and Mr. Leung Siu Hong. The chairman of the Nomination Committee is Mr. Lam Kim Wan.

The main duties of the Nomination Committee include the following:

(a) to review the structure, size, composition and diversity of the Board on a regular basis.

(b) to identify individuals suitably qualified to become Board members.

(c) to assess the independence of independent non-executive Directors.

(d) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors.

(e) to develop and recommend to the Board measurable objectives for achieving diversity on the Board and monitor the progress on achieving those objectives.

(f) to identify and nominate candidates to fill casual vacancies of the Directors.

(g) to determine and review the Board diversity policy, as appropriate; and review the measurable objectives for implementing such policy, and the progress on achieving such objectives.

(h) to develop, review and implement, as appropriate, the nomination policy concerning the selection criteria and procedures for the appointment and re-appointment of Directors.

(i) to ensure that each Director should be nominated by means of a separate resolution in meetings of the Board and/or the general meetings of the Company, as appropriate.

(j) to review annually the time commitment required of the Directors and to evaluate whether the Directors have committed adequate time to discharge their responsibilities.

Corporate Governance Report

During the year ended 31 March 2020, the Nomination Committee held one meeting during which it: i) reviewed the structure, size and composition of the Board; ii) assessed the independence of the independent non-executive Directors; and iii) recommended to the Board for the re-appointment of all the retiring Directors at the forthcoming annual general meeting of the Company. The attendance record of each member at the Nomination Committee meeting is set out below:

MEMBERS OF THE NOMINATION COMMITTEE	ATTENDANCE/ NO. OF MEETING
Mr. Lam Kim Wan *(Chairman of the Nomination Committee)*	1/1
Mr. Yue Ming Wai Bonaventure	1/1
Ms. Sze Tak On	1/1
Mr. Leung Siu Hong	1/1

NOMINATION POLICY

On 31 December 2018, the Board adopted a nomination policy. The Nomination Committee will evaluate, select and recommend candidate(s) for directorship(s) to the Board by giving due consideration to the criteria, including but not limited to Board diversity, qualifications, experience, independence, reputation for integrity and potential contributions that the individual(s) can bring to the Board before making recommendation to the Board. The Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm, and may evaluate the suitability of the candidate(s) by interviews, background checks etc.

BOARD MEETINGS AND ATTENDANCE RECORD OF DIRECTORS

Code provision A.1.1 of the CG Code states that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through other electronic means of communication.

During the year ended 31 March 2020, four Board meetings were held and the attendance record of each Director is set out below:

NAME OF DIRECTOR	ATTENDANCE/ NO. OF MEETING
Mr. Lam Kim Wan *(Chairman of the Board)*	4/4
Mr. Fong Wing Kong	4/4
Mr. Yue Ming Wai Bonaventure	4/4
Ms. Sze Tak On	4/4
Mr. Leung Siu Hong	4/4

Notice of regular Board meetings will be served to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Agenda and Board papers together with all appropriate information will be sent to all Directors or committee members at least three days before each Board meeting or committee meeting so as to ensure that there is timely access to relevant information. All Directors can give notice to the chairman of the Board or the company secretary of the Company if they intend to include matters in the agenda for Board meetings. The Board and the senior management are also obligated to keep the Directors appraised with the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary to ensure queries raised by Directors are dealt with a prompt and full response, if possible.

The company secretary, who is an employee of the Company, is responsible to take and keep minutes of all Board meetings and Board committee meetings, which record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. At Board meetings, all Directors have ample opportunity to express their respective views, voice any concerns and discuss the matters under consideration, and the results of voting at Board meetings fairly reflect the consensus of the Board. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection. Directors are entitled to have access to board papers and queries will be responded fully. According to the current practice, any material transaction, which involves a conflict of interests for a substantial Shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. Such Directors must abstain from voting and will not be counted as quorum.

Directors' commitments

Each Director has confirmed that he/she can give sufficient time and attention to the Company's affairs, and has regularly provided information on the number and nature of offices held in public companies or organisations and other significant commitments, including the identity of such companies or organisations and an indication of the time involved.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Lam is the chairman of the Board. He provides leadership for the Board and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. The chairman of the Board is primarily responsible for ensuring good corporate governance practices and procedures are established. He encouraged Directors with different view to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect Board consensus. He encourages all Directors to make full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company. He ensures that appropriate steps are taken to provide effective communication with Shareholders and their views are communicated to the Board as a whole. With the support of the management, the chairman of the Board is also responsible for ensuring that the Directors receive adequate information (whether from senior management or otherwise) in a timely manner, which is accurate, clear, complete and reliable, and appropriate briefing on issues arising at Board meetings as well as to ensure constructive relations between the executive and independent non-executive Directors.

The day-to-day management and operations of the Company were performed by Mr. Fong, the chief executive officer of the Company.

The chairman of the Board had held meetings with the independent non-executive Directors without the executive Directors present in compliance with the CG Code.

Corporate Governance Report

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings in the securities (the "Required Standard of Dealings") as contained in the Model Code as its own code of conduct governing the securities transactions by the Directors. Having made specific enquiry, all Directors confirmed that for the year ended 31 March 2020, they have complied with the Model Code and Required Standard of Dealings.

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

No incident of non-compliance of the Required Standard of Dealings regarding securities transactions by employees was noted by the Company.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the year ended 31 March 2020 are set out in note 13 to the consolidated financial statements of this report.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are set out in the section headed "Biographical Details of Directors and Senior Management" in this report for the year ended 31 March 2020 by band is as follows:

REMUNERATION BAND (IN HK$)	NUMBER OF INDIVIDUALS
Nil to 500,000	1
500,001 to 1,000,000	2
1,000,001 to 1,500,000	1
1,500,001 to 2,000,000	1
2,000,001 to 2,500,000	–
2,500,001 to 3,000,000	1

AUDITORS' REMUNERATION

The services provided by SHINEWING (HK) CPA Limited or its affiliated firm and the associated fees thereof for the year ended 31 March 2020 were as follows:

DESCRIPTION OF SERVICES PERFORMED	FEES (HK$)
Audit services	700,000
Non-audit services for internal audit function and enterprise risk assessment	110,000

RISK MANAGEMENT AND INTERNAL CONTROL

During the year ended 31 March 2020, the Group has complied with Principle C.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- *Identification:* Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.

- *Evaluation:* Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.

- *Management:* Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted in 2020, no significant risk was identified.

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- *Control Environment:* A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.

- *Risk Assessment:* A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.

Corporate Governance Report

- *Control Activities:* Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.

- *Information and Communication:* Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.

- *Monitoring:* Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.

- Confidentiality agreements are in place when the Group enters into significant negotiations.

- The executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in 2020, no significant control deficiency was identified.

Internal Audit Function

The Group has an Internal Audit ("IA") function performed by an external professional company, which consisted of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Board via Audit Committee afterwards.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; and (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its review and the review made by IA function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

No significant control failing or weaknesses had been identified during the reporting period. The Board is not aware of any material unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition.

COMPANY SECRETARY

The company secretary of the Company is Mr. Wun Chun Wai. Biographical details of Mr. Wun are set out in the sub-section headed "Senior Management" under the section headed "Biographical Details of Directors and Senior Management" of this report. Mr. Wun has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules. Mr. Wun reports to the chairman of the Board.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Group and cash flows position of the Group for the year ended 31 March 2020 and which are in compliance with applicable accounting standards, statutory requirements and other regulatory requirements. Management of the Company is obligated to and has provided such explanation and information to the Board to enable the Board to make an informed assessment of financial and other information put before the Board for approval. The Company's accounts are prepared in accordance with the Listing Rules, the Companies Ordinance, all relevant statutory requirements and applicable accounting standards. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgements and estimates. The Directors endeavour to ensure a balanced, clear and understandable assessment of the Company's position and prospect in the annual reports, interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

As at 31 March 2020, the Board was not aware of any material misstatement or uncertainties that might relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the external auditors of the Company regarding their reporting responsibility for the financial statements is set out in the Independent Auditor's Report on pages 43 to 49 of this report.

INVESTOR RELATIONS

The Company is committed to maintaining an open and effective investor relations policy and to updating investors on relevant information/developments in a timely manner, subject to relevant regulatory requirements. The Company uses a range of communication channels, such as the annual general meeting, publication of annual and interim reports, notices, announcements and circulars, to update Shareholders and investors with the latest business development and financial performance of the Group. The Company also replies to any enquiries from Shareholders in a timely manner. The corporate website of the Company at www.aplusgp.com provides a communication platform through which the public and investor community can access up-to-date information regarding the Company.

Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact details are as follows:

2/F, 35-45B Bonham Strand, Sheung Wan, Hong Kong
Fax: (852) 2854 3334
Email: ir@aplushk.com

The company secretary will forward such communications to the Board, the relevant Board committees and/or the chairman of the Board, as appropriate.

SHAREHOLDER RIGHTS

To ensure compliance with the CG Code, the notice of the meeting, the annual report and the circular containing information on the proposed resolutions will be sent to Shareholders at least 20 clear business days before the annual general meeting and to be sent at least 10 clear business days for all other general meetings. Voting at the forthcoming annual general meeting of the Company will be by way of a poll. An explanation of the detailed procedures of conducting a poll will be provided to Shareholders at the commencement of the annual general meeting to ensure that Shareholders are familiar with such procedures.

Poll results will be counted by the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, and will be posted on the websites of the Company and of the Stock Exchange on the day the general meeting held. The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. The chairman of the Board as well as the chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee, or in their absence, other members of the respective committees, are available to answer questions at the general meetings. The Company will also arrange for the external auditors to attend the annual general meetings to answer relevant questions if necessary.

Separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors.

In addition to regular Board meetings, the Board, on the requisition of Shareholders holding not less than one-tenth of the paid up capital of the Company, may convene an extraordinary general meeting for the transaction of any business specified in such requisition, including putting forward proposals or moving a resolution at the extraordinary general meeting.

The requisition must be deposited at the principal place of business of the Company in Hong Kong at 2/F, 35-45B, Bonham Strand, Sheung Wan, Hong Kong and state clearly the name of the requesting Shareholder(s), his/her/their shareholding in the Company, the reason(s) to convene the meeting and the agenda of the meeting including the details of the business(es) proposed to be transacted.

Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the year ended 31 March 2020.

A copy of the Articles of Association is posted on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.aplusgp.com.

SHAREHOLDERS COMMUNICATION POLICY

The Company has established a shareholders communication policy to set out the Company's procedures in providing the Shareholders and the investment community with ready, equal and timely access to balanced and understandable information about the Company, in order to enable the Shareholders to exercise their rights in an informed manner and to allow the Shareholders and the investment community to engage actively with the Company. The policy is subject to review on a regular basis to ensure its effectiveness.

Independent Auditor's Report

信永中和
ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF
A.PLUS GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of A.Plus Group Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 50 to 101, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Revenue recognition

Refer to note 7 to the consolidated financial statements and the accounting policies on pages 69 to 71.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Revenue from provision of financial printing services is recognised over time by measuring the progress towards complete satisfaction of the relevant performance obligation. The progress is determined based on the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The total expected inputs are mainly based on the historical experience of similar projects. Management used significant judgements and estimations to determine the progress towards complete satisfaction of the performance obligation at the reporting date.	We assessed the reasonableness of the methodology that management used in determining the Group's progress towards complete satisfaction of a performance obligation and estimated total service costs based on our knowledge of the Group's business and the industry practice on a sampling basis. We assessed the Group's revenue recognition based on a reasonable measurement of the progress of contracts towards completion of the contracts. We have also checked the mathematical accuracy of the incurred costs to date and assessing reasonableness of judgements and estimates about budgeted costs to completion.

KEY AUDIT MATTERS (Continued)

Impairment assessment on goodwill – A.Plus International Financial Press Limited ("API")

Refer to note 19 to the consolidated financial statements and the accounting policies on page 61.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group has goodwill of approximately HK$11,423,000 as at 31 March 2020, which is significant to the net asset value of the Group. The Group's assessment of impairment of goodwill is a judgemental process which requires estimates concerning the forecast future cash flows associated with the goodwill, the discount rates and the growth rate of revenue to be applied in determining value-in-use. The selection of valuation model, adoption of key assumptions and input data may be subject to management bias and changes in these assumptions and input to valuation model may result in significant financial impact. The extent of judgement and the magnitude of the goodwill resulted in this matter being identified as a key audit matter.	We obtained management's assessment prepared by their valuation specialist and challenged the reasonableness of the selection of valuation model, adoption of key assumptions and input data. In particular, we tested the future cash flow forecast on whether it is agreed to the budget approved by the directors of the Company and compared the budget with actual results available up to the report date. We also challenged the appropriateness of the assumptions, including the sales growth rates and gross margin, against latest market expectations. We also challenged the discount rate employed in the calculation of value-in-use by reviewing its basis of calculation and comparing its input data to market sources. As any changes in these assumptions and input to valuation model may result in significant financial impact, we performed our own sensitivity analysis which included changes in the sales growth rate.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Impairment of contract assets and trade receivables

Refer to notes 20 and 21 to the consolidated financial statements and the accounting policies on pages 64 to 68.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
As at 31 March 2020, the carrying amount of trade receivables and contract assets is approximately HK$23,389,000 and HK$16,637,000 respectively. The related provisions for expected credit losses for trade receivables recognised by the Group amounted to HK$5,989,000, and there was no expected credit loss for contract assets recognised as at 31 March 2020. Management judgement is involved in assessing the forward looking expected credit loss. Management estimated the level of expected losses, by assessing future cash flow for contract assets and trade receivables including a probability weighted amount determined by evaluating a range of possible outcomes based on historical credit loss experience by customers and applying to the contract assets and trade receivables held at the end of the reporting period. The impact of economic factors both current and future is considered in assessing the likelihood of recovery from customer, where applicable. The extent of judgement resulted in this matter being identified as a key audit matter.	We reviewed management's assessment prepared by their valuation specialist of the overall policies and procedures in relation to expected credit loss model for estimating impairment provisions and assessed the appropriateness of the model applied by the management. We assessed the reasonableness of management's estimates for expected credit loss by examining the information used by management to form such judgements, including testing accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information. We also checked the subsequent settlements made by customers as well as the recent creditworthiness of debtors on a sample basis.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kwan Chi Fung.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Kwan Chi Fung
Practising Certificate Number: P06614

Hong Kong
30 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	2020 HK$'000	2019 HK$'000
Revenue	7	**146,551**	159,713
Cost of services		**(70,403)**	(73,104)
Gross profit		**76,148**	86,609
Other income	9	**3,396**	1,637
Selling and distribution expenses		**(15,384)**	(15,264)
Administrative expenses		**(30,159)**	(36,437)
Impairment loss of trade receivables		**(3,206)**	(2,775)
Finance cost	10	**(194)**	–
Profit before tax		**30,601**	33,770
Income tax expense	11	**(4,681)**	(6,036)
Profit and total comprehensive income attributable to the owners of the Company	12	**25,920**	27,734
Earnings per share (HK cents)			
– Basic and diluted	16	**6.48**	6.93

Consolidated Statement of Financial Position

AS AT 31 MARCH 2020

	NOTES	2020 HK$'000	2019 HK$'000
Non-current assets			
Plant and equipment	17	**1,808**	5,619
Right-of-use assets	18	**1,467**	–
Goodwill	19	**11,423**	11,423
Rental deposits		**–**	1,204
Deferred tax assets	24	**323**	–
		15,021	18,246
Current assets			
Contract assets	20	**16,637**	20,012
Trade and other receivables	21	**26,281**	31,174
Income tax recoverable		**1,573**	1,255
Bank balances	22	**105,214**	116,806
		149,705	169,247
Current liabilities			
Trade and other payables	23	**25,375**	27,303
Contract liabilities	20	**4,127**	1,776
Lease liabilities	18	**1,508**	–
Income tax payables		**364**	895
		31,374	29,974
Net current assets		**118,331**	139,273
Total assets less current liabilities		**133,352**	157,519
Non-current liability			
Deferred tax liabilities	24	**–**	87
		133,352	157,432
Capital and reserves			
Share capital	25	**4,000**	4,000
Reserves		**129,352**	153,432
		133,352	157,432

The consolidated financial statements on pages 50 to 101 were approved and authorised for issue by the board of directors on 30 June 2020 and are signed on its behalf by:

Fong Wing Kong	**Lam Kim Wan**
Director	Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2020

	ATTRIBUTABLE TO OWNERS OF THE COMPANY				
	SHARE CAPITAL HK$'000	SHARE PREMIUM HK$'000	OTHER RESERVE HK$'000 (note)	RETAINED PROFITS HK$'000	TOTAL HK$'000
At 1 April 2018	4,000	35,954	(1)	99,745	139,698
Profit and total comprehensive income for the year	–	–	–	27,734	27,734
Dividend paid (note 15)	–	–	–	(10,000)	(10,000)
At 31 March and 1 April 2019	4,000	35,954	(1)	117,479	157,432
Profit and total comprehensive income for the year	–	–	–	25,920	25,920
Dividend paid (note 15)	–	–	–	(50,000)	(50,000)
At 31 March 2020	4,000	35,954	(1)	93,399	133,352

Note: Other reserve represented the difference between the nominal value of the issued share capital of the Company and share capital of A.Plus Financial Press Limited, upon the group reorganisation on 23 March 2016.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2020

	2020 HK$'000	2019 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**30,601**	33,770
Adjustments for:		
Depreciation of plant and equipment	**3,907**	4,213
Depreciation of right-of-use assets	**4,366**	–
Impairment loss of trade receivables	**3,206**	2,775
Interest expense on lease liabilities	**194**	–
Write-off of trade receivables	**–**	1,184
Write-off of contract assets	**–**	858
Reversal of impairment loss of trade receivables	**(1,696)**	(747)
Bank interest income	**(1,087)**	(655)
Operating cash flows before movements in working capital	**39,491**	41,398
Decrease in contract assets	**3,375**	1,424
Decrease (increase) in trade and other receivables and rental deposits	**4,406**	(4,401)
Decrease in trade and other payables	**(1,928)**	(44)
Increase (decrease) in contract liabilities	**2,351**	(3,065)
Cash generated from operations	**47,695**	35,312
Income tax paid	**(5,940)**	(8,442)
NET CASH FROM OPERATING ACTIVITIES	**41,755**	26,870
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(96)**	(1,266)
Bank interest income received	**1,268**	474
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**1,172**	(792)
FINANCING ACTIVITIES		
Repayment of principal element of lease liabilities	**(4,325)**	–
Repayment of interest element of lease liabilities	**(194)**	–
Dividend paid	**(50,000)**	(10,000)
NET CASH USED IN FINANCING ACTIVITIES	**(54,519)**	(10,000)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(11,592)**	16,078
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**116,806**	100,728
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances	**105,214**	116,806

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

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) of the Cayman Islands as an exempted company with limited liability on 20 April 2015. Its parent and ultimate holding company is Brilliant Ray Global Limited (incorporated in the British Virgin Islands (the "BVI")). 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") with effect from 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 30.

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 its first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRS 16	Leases
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments

The adoption of HKFRS 16 resulted in the changes in the Group's accounting policies and adjustments to the amounts recognised in the consolidated financial statements as summarises below.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (Continued)

2.1 Impacts on adoption of HKFRS 16 Leases

HKFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating lease and finance lease and requiring the recognition of right-of-use asset and a lease liability for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new accounting policies are described in note 3. Comparative information has not been restated and continues to be reported under HKAS 17 Leases.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which arrangements are, or contain, leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or modified on or after 1 April 2019.

The Group as lessee

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases (except for lease of low value assets and lease with remaining lease term of twelve months or less). These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 5.55%.

The Group recognises right-of-use assets and measures them at an amount equal to the lease liabilities.

	NOTE	CARRYING AMOUNT PREVIOUSLY REPORTED AT 31 MARCH 2019 HK$'000	IMPACT ON ADOPTION OF HKFRS 16 HK$'000	CARRYING AMOUNT AS RESTATED AT 1 APRIL 2019 HK$'000
Right-of-use assets	(a)	–	5,833	5,833
Lease liabilities	(a)	–	5,833	5,833

Note (a): As at 1 April 2019, right-of-use assets were measured at an amount equal to the lease liability of approximately HK$5,833,000.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (Continued)

2.1 Impacts on adoption of HKFRS 16 Leases (Continued)

The Group as lessee (Continued)

Starting from 1 April 2019, in the consolidated statement of cash flow, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. The total cash flows are unaffected.

Differences between operating lease commitments as at 31 March 2019, the date immediately preceding the date of initial application, discounted using the incremental borrowing rate, and the lease liabilities recognised as at 1 April 2019 are as follow:

	HK$'000
Operating lease commitment disclosed as at 31 March 2019	6,372
Less: Short-term leases and other leases with remaining lease term ended on or before 31 March 2020	(336)
	6,036
Discounted using the incremental borrowing rate and lease liabilities recognised as at 1 April 2019	5,833
Analysed as	
Current portion	4,325
Non-current portion	1,508
	5,833

Practical expedients applied

On the date of initial application of HKFRS 16, the Group has also used the following practical expedient permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (Continued)

New and revised HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts[3]
Amendments to HKFRS 3	Definition of a Business[5]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[2]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
Amendments to HKAS 16	Proceeds Before Intended Use[4]
Amendments to HKAS 37	Cost of Fulfilling a Contract[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020[4]
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting[1]

1 Effective for annual periods beginning on or after 1 January 2020.
2 Effective for annual periods beginning on or afer 1 June 2020.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for annual periods beginning on or after 1 January 2022.
5 Effective for business combinations and asset acquisition for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.
6 Effective date not yet been determined.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

Accounting policy applicable on or after 1 April 2019

Definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

Accounting policy applicable on or after 1 April 2019 (Continued)

The Group as lessee (Continued)

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Accounting policy applicable prior to 1 April 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating leases payments are recognised as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Plant and equipment

Plant and equipment held for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Cash and cash equivalents

Bank balances in the consolidated statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances as defined above.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Interest income is recognised in profit or loss and is included in the "Other income" line item (note 9).

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost as well as contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit loss ("ECL") for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there is a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the customer;
- a breach of contract, such as a default or past due event;
- the lender(s) of the customer, for economic or contractual reasons relating to the customer's financial difficulty, having granted to the customer a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Revenue recognition

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

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FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates and enhances an asset that the customer controls as the asset is created and enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

Revenue is measured based on the consideration specified in a contract with a customer.

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Input method)

Revenue from provision of financial printing services is recognised over time by measuring the progress towards complete satisfaction of the relevant performance obligation. The progress is determined based on the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The total expected inputs incurred are mainly based on the historical experience of similar projects.

Variable consideration

For the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised services to a customer.

The Group estimates an amount of variable consideration by using either the expected value method or the most likely amount method, depending on which method the Group expects to better predict the amount of consideration to which it will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances during the reporting period.

Contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs (i.e. sales commissions) as an asset if it expects to recover these costs.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

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FOR THE YEAR ENDED 31 MARCH 2020

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Judgments in determining the timing of satisfaction of performance obligation

The recognition of each of the Group's revenue stream requires judgment by the directors of the Company in determining the timing of satisfaction of performance obligation.

In making their judgment, the directors of the Company considered the detailed criteria for recognition of revenue set out in HKFRS 15 and in particular, whether the Group has satisfied the performance obligation over time or at a point in time with reference to the detailed terms of transaction as stipulated in the contracts entered into with its customers.

The directors of the Company have assessed that the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Therefore, the directors of the Company have satisfied that the performance obligation is satisfied over time.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The Group recognises revenue from provision of financial printing services over time by measuring the progress towards complete satisfaction of the relevant performance obligation. The progress is determined based on the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The Group is required to estimate the total service costs of each project in measuring the Group's progress towards complete satisfaction of a performance obligation. The computation of the progress and estimation of total service costs for each project require the use of judgement and estimates.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2020, the carrying amount of goodwill is approximately HK$11,423,000 (2019: HK$11,423,000). Details of the recoverable amount and calculation are disclosed in note 19. During the years ended 31 March 2020 and 2019, no impairment loss was provided.

Impairment of contract assets and trade receivables

The impairment provisions for contract assets and trade receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. At 31 March 2020, the carrying amount of trade receivables and contract assets are approximately HK$23,389,000 (2019: HK$30,049,000) and HK$16,637,000 (2019: HK$20,012,000) respectively. The related provisions for trade receivables recognised by the Group amounted to approximately HK$5,989,000 (2019: HK$4,479,000) and there was no expected credit loss for contract assets recognised as at 31 March 2020 and 2019.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank balances and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company regularly review and manage the Group's capital structure. As part of this review, the directors of the Company consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new share issue.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

6. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	2020 HK$'000	2019 HK$'000
Financial assets		
Financial assets at amortised cost	**130,029**	148,537
Financial liabilities		
Financial liabilities at amortised cost	**25,375**	27,303

b) Financial risk management objectives and policies

The Group's major financial instruments include rental deposits, trade and other receivables, bank balances and trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The companies of the Group mainly operated in their local jurisdiction with most of the transactions settled in their functional currencies of the operations and did not have significant exposure to risk resulting from changes in foreign currency exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As the directors of the Company consider that the currency risk in response to the changes in exchange rate is insignificant, sensitivity analysis on currency risk is not presented.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates, as its bank balance, which carries an insignificant interest rate, is the only interest-bearing asset while other financial assets and liabilities are not interest-bearing.

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Credit risk

As at the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For contract assets and trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on individual basis for customer with significant balances and collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For other non-trade related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The credit risk on the Group's liquid funds is limited because the counterparties are banks with high credit ratings assigned by authorised credit-rating agencies.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- actual or expected significant changes in the operating results of the customer
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the Group and changes in the operating results of the customer.

The Group's exposure to credit risk

In order to minimise credit risk, the management develops and maintains the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's exposure to credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

CATEGORY	DESCRIPTION	BASIS FOR RECOGNISING ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades.

			31 MARCH 2020			31 MARCH 2019		
	INTERNAL CREDIT RATING	12-MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT HK$'000	LOSS ALLOWANCE HK$'000	NET CARRYING AMOUNT HK$'000	GROSS CARRYING AMOUNT HK$'000	LOSS ALLOWANCE HK$'000	NET CARRYING AMOUNT HK$'000
Trade receivables (note a)	N/A	Lifetime ECL (simplified approach)	**29,378**	**(5,989)**	**23,389**	34,528	(4,479)	30,049
Contract assets (note a)	N/A	Lifetime ECL (simplified approach)	**16,637**	**-**	**16,637**	20,012	–	20,012
Rental deposits (note b)	Performing	12-month ECL	**-**	**-**	**-**	1,204	–	1,204
Other receivables and deposits (note b)	Performing	12-month ECL	**1,426**	**-**	**1,426**	478	–	478
			47,441	**(5,989)**	**41,452**	56,222	(4,479)	51,743

Notes:

(a) For trade receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on individual basis for customer with significant balances and collectively by using a provision matrix, grouped by past due and billing status.

(b) For rental deposits and other receivables and deposits, the Group has assessed these balances using 12-month ECL basis as there was no significant increase in credit risk for these balances since initial recognition. The loss allowance at 31 March 2020 was close to zero.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers.

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

At 31 March 2020 and 2019, the Group's remaining maturity for its financial liabilities and lease liabilities is mainly within one year from the end of the reporting period. In the opinion of the directors of the Company, the carrying amounts of the financial liabilities and lease liabilities are the same as the undiscounted cash flows based on the earliest date on which the Group can be required to pay and therefore, no further analysis is presented in the consolidated financial statements.

c) Fair value measurements recognised in the consolidated statement of financial position

The directors of the Company consider that the carrying amount of rental deposits recorded at amortised cost in the consolidated financial statements approximate to its fair value as the discounting effect is insignificant.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to their immediate or short-term maturities.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

7. 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:

	2020 HK$'000	2019 HK$'000
Revenue from contracts with customer within the scope of HKFRS 15:		
Disaggregated by major services lines:		
Results announcements and financial reports	**74,805**	73,916
Company announcements and shareholder circulars	**34,253**	45,768
Debt offering circulars and initial public offering prospectuses	**31,031**	31,074
Fund documents	**2,629**	3,170
Others	**3,833**	5,785
	146,551	159,713

Disaggregation of revenue by timing of recognition:

	2020 HK$'000	2019 HK$'000
Timing of revenue recognition		
Over time	**146,551**	159,713

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 satisfied) as of the end of the reporting period.

8. 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 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 2020 and 2019, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

9. OTHER INCOME

	2020 HK$'000	2019 HK$'000
Bank interest income	**1,087**	655
Reversal of impairment loss of trade receivables	**1,696**	747
Exchange difference	**137**	35
Others	**476**	200
	3,396	1,637

10. FINANCE COST

	2020 HK$'000	2019 HK$'000
Interest expense on lease liabilities	**194**	–

11. INCOME TAX EXPENSE

	2020 HK$'000	2019 HK$'000
Current tax:		
Hong Kong Profits Tax	**5,091**	6,300
Deferred taxation (note 24)	**(410)**	(264)
	4,681	6,036

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

11. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2020 HK$'000	2019 HK$'000
Profit before tax	**30,601**	33,770
Tax calculated at tax rate of 16.5%	**5,049**	5,572
Tax effect of expenses not deductible for tax purpose	**16**	798
Tax effect of income not taxable for tax purpose	**(179)**	(109)
Effect of two-tiers profits tax rates regime (note a)	**(165)**	(165)
Effect of tax exemption granted (note b)	**(40)**	(60)
Income tax expense	**4,681**	6,036

Notes:

(a) For the years ended 31 March 2020 and 2019, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

(b) Tax exemption represented a reduction of Hong Kong Profits Tax for the year of assessment 2019/2020 by 75% (2018/2019: 75%), subject to a ceiling of HK$20,000 (2018/2019: HK$20,000).

12. PROFIT FOR THE YEAR

	2020 HK$'000	2019 HK$'000
Profit for the year has been arrived at after charging:		
Salaries, wages and other benefits	**47,169**	44,945
Contribution to defined contribution retirement benefits scheme	**1,440**	1,317
Total staff costs (excluding directors' remuneration (note 13))	**48,609**	46,262
Auditor's remuneration	**700**	780
Depreciation of plant and equipment	**3,907**	4,213
Depreciation of right-of-use assets	**4,366**	–
Write-off of trade receivables (included in administrative expenses)	**–**	1,184
Write-off of contract assets (included in administrative expenses)	**–**	858
Operating lease charges in respect of office premises and certain office equipment (note)	**N/A**	4,587

Note: Operating lease in respect of offices premises and certain office equipment for the year ended 31 March 2019 represented payments made and accounted for under HKAS 17. Details of the lease payments made for the year ended 31 March 2020 are set out in note 18.

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 5 (2019: 5) directors and chief executive were as follows:

Year ended 31 March 2020

	DIRECTORS' FEES HK$'000	SALARIES AND ALLOWANCES HK$'000	DISCRETIONARY BONUS HK$'000 (note (ii))	CONTRIBUTION TO DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME HK$'000	TOTAL HK$'000
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings					
Directors:					
Mr. Lam Kim Wan	–	**1,440**	**981**	**18**	**2,439**
Mr. Fong Wing Kong (note (i))	–	**1,440**	**981**	**18**	**2,439**
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings					
Independent non-executive directors:					
Mr. Yue Ming Wai Bonaventure	**130**	–	–	–	**130**
Ms. Sze Tak On	**130**	–	–	–	**130**
Mr. Leung Siu Hong	**130**	–	–	–	**130**
	390	**2,880**	**1,962**	**36**	**5,268**

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Year ended 31 March 2019

	DIRECTORS' FEES HK$'000	SALARIES AND ALLOWANCES HK$'000	DISCRETIONARY BONUS HK$'000 (note (ii))	CONTRIBUTION TO DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME HK$'000	TOTAL HK$'000
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings					
Directors:					
Mr. Lam Kim Wan	–	1,320	685	18	2,023
Mr. Fong Wing Kong (note (i))	–	1,320	685	18	2,023
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings					
Independent non-executive directors:					
Mr. Yue Ming Wai Bonaventure	120	–	–	–	120
Ms. Sze Tak On	120	–	–	–	120
Mr. Leung Siu Hong	120	–	–	–	120
	360	2,640	1,370	36	4,406

Notes:

(i) Mr. Fong Wing Kong's emolument disclosed above includes those for services rendered by him as the chief executive.

(ii) The discretionary bonus is determined by the remuneration committee having regard to the performance of individual and market trends.

No directors and chief executive of the Company waived any emolument during the years ended 31 March 2020 and 2019. No emoluments were paid by the Group to the directors and chief executive of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2019: two) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three (2019: three) were as follows:

	2020 HK$'000	2019 HK$'000
Salaries and allowances	**2,797**	3,018
Discretionary bonus	**1,534**	323
Contribution to defined contribution retirement benefits scheme	**54**	54
	4,385	3,395

Their emoluments were within the following bands:

	2020 Number of employees	2019 Number of employees
Nil to HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**1**	–

No emoluments have been paid to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during both years.

15. DIVIDEND

	2020 HK$'000	2019 HK$'000
Dividends recognised as distribution during the year:		
2020 Interim dividend – HK2.5 cents	**10,000**	–
2019 Special dividend – HK7.5 cents	**30,000**	–
2019 Final dividend – HK2.5 cents		
(2019: 2018 final dividend – HK2.5 cents)	**10,000**	10,000
	50,000	10,000

During the year ended 31 March 2020, an interim dividend of HK2.5 cents per share in respect of the year ended 31 March 2020, a final dividend of HK2.5 cents per share and a special dividend of HK7.5 cents per share in respect of the year ended 31 March 2019 were recognised as distribution.

Subsequent to the end of the reporting period, no final dividend was proposed by the directors of the Company in respect of the year ended 31 March 2020.

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16. EARNINGS PER SHARE

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

	2020 HK$'000	2019 HK$'000
Earnings		
Earnings for the purpose of basic earnings per share	**25,920**	27,734

	2020 '000	2019 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**400,000**	400,000

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 2020 and 2019.

17. PLANT AND EQUIPMENT

	LEASEHOLD IMPROVEMENTS HK$'000	FURNITURE AND FIXTURES HK$'000	OFFICE EQUIPMENT HK$'000	MOTOR VEHICLES HK$'000	TOTAL HK$'000
COST					
At 1 April 2018	8,244	1,338	7,506	3,447	20,535
Additions	–	–	1,266	–	1,266
At 31 March 2019 and 1 April 2019	8,244	1,338	8,772	3,447	21,801
Additions	–	–	96	–	96
At 31 March 2020	8,244	1,338	8,868	3,447	21,897
ACCUMULATED DEPRECIATION					
At 1 April 2018	4,060	1,069	3,542	3,298	11,969
Charge for the year	1,805	110	2,149	149	4,213
At 31 March 2019 and 1 April 2019	5,865	1,179	5,691	3,447	16,182
Charge for the year	1,764	96	2,047	–	3,907
At 31 March 2020	7,629	1,275	7,738	3,447	20,089
CARRYING VALUES					
At 31 March 2020	615	63	1,130	–	1,808
At 31 March 2019	2,379	159	3,081	–	5,619

The above items of plant and equipment, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the term of the lease or 33.33%, whichever is the shorter
Furniture and fixtures	25%
Office equipment	33.33%
Motor vehicles	33.33%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

18. LEASES

(i) Right-of-use assets

	31 MARCH 2020 HK$'000	1 APRIL 2019 HK$'000
Offices	**1,467**	5,833

The Group has lease arrangements for premises used as offices. The lease terms are generally ranged from 2 to 3 years.

(ii) Lease liabilities

	31 MARCH 2020 HK$'000	1 APRIL 2019 HK$'000
Non-current	**–**	1,508
Current	**1,508**	4,325
	1,508	5,833

	31 MARCH 2020 HK$'000
Amounts payable under lease liabilities	
Within one year	**1,508**

18. LEASES (Continued)

(iii) Amount recognised in profit or loss

	YEAR ENDED 31 MARCH 2020 HK$'000
Depreciation expense on right-of-use assets	**4,366**
Interest expense on lease liabilities	**194**
Expenses relating to short-term leases	**292**

(iv) Others

During the year ended 31 March 2020, the total cash outflow for leases amount to approximately HK$4,811,000.

19. GOODWILL

	HK$'000
Cost and carrying value	
At 1 April 2018, 31 March 2019 and 31 March 2020	11,423

Impairment test on goodwill

The directors of the Company conducted impairment review on goodwill attributable to A.Plus International Financial Press Limited ("API") at 31 March 2020 by reference to a valuation report issued by Royson Valuation Advisory Limited, an independent qualified professional valuer not connected with the Group, who has among its staff members of the Hong Kong Institute of Surveyors. The recoverable amount of API has been determined by reference to value-in-use calculations. The calculation used cash flow projections based on financial budgets approved by management covering a five-year period, and at a pre-tax discount rate of approximately 25.1% (2019: 25.4%) per annum. The cash flows beyond the five-year period are extrapolated using 3% (2019: 3%) average growth rate. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows including budgeted sales and gross margin, such estimation is based on the past experience and management's expectations for the market development. The directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

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FOR THE YEAR ENDED 31 MARCH 2020

20. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2020 HK$'000	2019 HK$'000
Contract assets relating to financial printing services	**16,637**	20,012

Contract assets are initially recognised for revenue earned from financial printing services as receipt of consideration is conditional on successful completion. The contract assets are transferred to trade receivables when the rights become unconditional. Upon completion of service, the amounts recognised as contract assets are reclassified to trade receivables.

There is no impairment losses recognised on any contract assets during the years ended 31 March 2020 and 2019.

(b) Contract liabilities

	2020 HK$'000	2019 HK$'000
Contract liabilities relating to financial printing services	**4,127**	1,776

Contract liabilities include advances received to render financial printing services in relation to debt offering circulars and initial public offering prospectuses.

The Group receives range from 25% to 30% of the contract values as deposits from customers when they sign the mandates.

The significant change in contract liabilities was mainly due to deposit received for initial public offering prospectuses projects as at 31 March 2020.

Revenue recognised during the year ended 31 March 2020 that was included in the contract liabilities at the beginning of the year is HK$1,776,000 (2019: HK$4,841,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

21. TRADE AND OTHER RECEIVABLES

	2020 HK$'000	2019 HK$'000
Trade receivables	**29,378**	34,528
Less: Allowance for impairment of trade receivables	**(5,989)**	(4,479)
	23,389	30,049
Other receivables and deposits	**2,892**	1,125
Trade and other receivables	**26,281**	31,174

At as 31 March 2020, the gross amount of trade receivable arising from contracts with customers amounted to HK$29,378,000 (2019: HK$34,528,000).

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.

	2020 HK$'000	2019 HK$'000
Within 30 days	**10,807**	17,661
31 to 60 days	**4,161**	4,017
61 to 90 days	**1,538**	1,954
91 to 180 days	**3,732**	2,960
181 to 365 days	**2,841**	3,110
Over 365 days	**310**	347
Total	**23,389**	30,049

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$5,989,000 (2019: HK$4,479,000) since the counterparties failed to make demanded repayment. The expected credit losses on the remaining trade receivables 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. As at 31 March 2020 and 2019, the identified impairment loss in respect of those remaining trade receivables was immaterial.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

21. TRADE AND OTHER RECEIVABLES (Continued)

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

	2020 HK$'000	2019 HK$'000
At the beginning of the year	**4,479**	2,996
Write-off recognised during the year	**–**	(545)
Impairment loss recognised	**3,206**	2,775
Reversal of impairment loss	**(1,696)**	(747)
At the end of the year	**5,989**	4,479

The increase in the loss allowance made is to reflect the deterioration 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.

22. BANK BALANCES

Bank balances represented short-term deposits with a maturity of three months or less. At 31 March 2020 and 2019, bank balances carried at prevailing market rates of 0.01% per annum.

23. TRADE AND OTHER PAYABLES

	2020 HK$'000	2019 HK$'000
Trade payables	**15,234**	18,263
Accrued bonus and commission	**6,737**	5,397
Accruals	**3,404**	3,643
Trade and other payables	**25,375**	27,303

23. TRADE AND OTHER PAYABLES (Continued)

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

	2020 HK$'000	2019 HK$'000
Within 30 days	**13,809**	16,897
31 to 60 days	**647**	1,001
61 to 90 days	**228**	–
Over 90 days	**550**	365
Trade payables	**15,234**	18,263

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.

24. DEFERRED TAXATION

The following is the major deferred tax assets (liabilities) recognised and movements thereof during the current and prior years:

	(ACCELERATED) DECELERATED TAX DEPRECIATION HK$'000
At 1 April 2018	(351)
Credited to profit or loss (note 11)	264
At 31 March 2019 and 1 April 2019	(87)
Credited to profit or loss (note 11)	410
At 31 March 2020	323

25. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	SHARE CAPITAL HK$
Ordinary share of HK$0.01 each		
Authorised:		
At 1 April 2018, 31 March 2019 and 2020	8,000,000,000	80,000,000
Issued and fully paid:		
At 1 April 2018, 31 March 2019 and 2020	400,000,000	4,000,000

All shares issued rank pari passu in all respects with all shares then in issue.

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FOR THE YEAR ENDED 31 MARCH 2020

26. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to the written resolution passed on 23 March 2016 for the primary purpose of providing incentives to eligible persons, and will expire on 18 April 2026. Under the Scheme, the board of directors of the Company may grant options to the eligible persons, including employees (full-time or part-time), directors, consultants, advisors of the Group, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

Options granted must be taken up within 28 days from the date of grant, upon payment of HK$1.00. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the board of directors of the Company, and shall be the highest of (i) the nominal value of the Company's share; (ii) the closing price of the Company's shares on the date of grant; and (iii) the average closing price of the shares for the five business days immediately preceding the date of grant.

No share options are granted since the adoption of the Scheme and there are no outstanding share options as at 31 March 2020 and 2019.

27. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2019 HK$'000
Within one year	4,721
In the second to fifth year inclusive	1,651
	6,372

Operating lease payments represents rentals payable by the Group for its office premises and certain office equipment. Leases are negotiated and rentals are fixed for a term ranging from 2 to 3 years.

28. RETIREMENT BENEFITS PLAN

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The total cost charged to profit or loss of approximately HK$1,476,000 (2019: HK$1,353,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

29. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the consolidated financial statements, the Group had no other material transactions with related party during both years.

Compensation to key management personnel

The remuneration of directors of the Company and other members of key management personnel during the year was as follows:

	2020 HK$'000	2019 HK$'000
Short-term benefits	**11,921**	11,016
Post employment benefits	**126**	126
	12,047	11,142

30. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2020 and 2019 are as follows:

NAME OF SUBSIDIARY	PLACE AND DATE OF INCORPORATION/ OPERATION	ISSUED AND FULLY PAID SHARE CAPITAL	PERCENTAGE OF EQUITY INTEREST ATTRIBUTABLE TO THE COMPANY 2020	2019	PRINCIPAL ACTIVITIES
Directly held:					
Power Future Holdings Limited	BVI/Hong Kong 10 March 2015	US$1	**100%**	100%	Investment holding
Maplehill Investments Limited	BVI/Hong Kong 20 March 2015	US$1	**100%**	100%	Investment holding
Indirectly held:					
A.Plus Financial Press Limited ("APF")	Hong Kong/Hong Kong 8 May 2002	HK$200	**100%**	100%	Provision of financial printing services
API	Hong Kong/Hong Kong 3 January 2012	HK$10,000	**100%**	100%	Provision of financial printing services

None of the subsidiaries had issued any debt securities subsisting at the end of both years or at any time during both years.

31. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTE	2020 HK$'000	2019 HK$'000
Non-current assets			
Investments in subsidiaries		**45,892**	45,892
Rental deposits		**–**	404
		45,892	46,296
Current assets			
Other receivables		**479**	75
Amounts due from subsidiaries		**24,799**	25,305
Bank balance		**1,370**	2,534
		26,648	27,914
Current liabilities			
Other payables		**1,091**	968
Amounts due to subsidiaries		**–**	941
Income tax payables		**–**	852
		1,091	2,761
Net current assets		**25,557**	25,153
		71,449	71,449
Capital and reserves			
Share capital		**4,000**	4,000
Reserves	(a)	**67,449**	67,449
		71,449	71,449

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

31. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

(a) Movement in reserves

	SHARE PREMIUM HK$'000	OTHER RESERVE HK$'000 (NOTE)	(ACCUMULATED LOSSES) RETAINED PROFITS HK$'000	TOTAL HK$'000
At 1 April 2018	35,954	31,491	(13)	67,432
Profit and total comprehensive income for the year	–	–	10,017	10,017
Dividends paid (note 15)	–	–	(10,000)	(10,000)
At 31 March 2019 and 1 April 2019	35,954	31,491	4	67,449
Profit and total comprehensive income for the year	–	–	50,000	50,000
Dividends paid (note 15)	–	–	(50,000)	(50,000)
At 31 March 2020	35,954	31,491	4	67,449

Note: Other reserve represented the difference between the nominal value of the issued share capital of the Company and the net asset value of APF upon the group reorganisation on 23 March 2016.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	LEASE LIABILITIES HK$'000
At 1 April 2018 and 31 March 2019	–
Effect of change in accounting policy	5,833
At 1 April 2019	5,833
Financing cash flows	(4,519)
Non-cash changes	
– Interest expense	194
At 31 March 2020	1,508

33. COMPARATIVE FIGURES

Certain comparative figures has been reclassified in the face of the consolidated statement of profit or loss and other comprehensive income to conform to the current year's presentation. The reclassification had no financial effect on the amounts stated in the consolidated statement of financial position.

34. EVENTS AFTER THE REPORTING PERIOD

Since January 2020, the outbreak of Coronavirus Disease 2019 ("COVID-19") has had an impact on the global business environment. Due to the inherent nature and the unpredictability of future development of COVID-19 and market sentiment, the directors of the Company consider that the impacts on the Group's operations and financial position cannot be reasonably assessed. Pending the development and spread of COVID-19 subsequent to the date of these consolidated financial statements, the directors of the Company will continue to assess the impact of COVID-19 on the Group's operations and financial position and closely monitor the Group's exposure to the risks and uncertainties in connection with the pandemic.

Financial Summary

	YEAR ENDED 31 MARCH				
	2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000	2016 HK$'000
Results					
Revenue	**146,551**	159,713	164,370	128,860	99,762
Cost of services	**(70,403)**	(73,104)	(74,716)	(59,506)	(47,748)
Gross profit	**76,148**	86,609	89,654	69,354	52,014
Other income	**3,396**	1,637	2,103	3	1,007
Selling and distribution expenses	**(15,384)**	(15,264)	(16,714)	(12,792)	(9,120)
Administrative expenses	**(30,159)**	(36,437)	(24,721)	(21,402)	(25,415)
Impairment loss of trade receivables (Note)	**(3,206)**	(2,775)	(1,679)	(2,151)	(454)
Finance cost	**(194)**	–	–	–	–
Profit before tax	**30,601**	33,770	48,643	33,012	18,032
Income tax expense	**(4,681)**	(6,036)	(7,955)	(5,408)	(4,646)
Profit and total comprehensive income attributable to the owners of the Company	**25,920**	27,734	40,688	27,604	13,386

	AS AT 31 MARCH				
	2020 HK$'000	2019 HK$'000	2018 HK$'000	2017 HK$'000	2016 HK$'000
Assets and Liabilities					
Total assets	**164,726**	187,493	165,610	121,287	67,009
Total liabilities	**31,374**	30,061	25,912	22,277	21,156
Total capital and reserves	**133,352**	157,432	139,698	99,010	45,853

Note: The comparative figure of impairment loss of trade receivables has been reclassified from administrative expenses to conform to the current year's presentation. The reclassification had no financial effect on the amounts stated in the consolidated statement of financial position.

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