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GAIN PLUS HOLDINGS LIMITED

德益控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8522)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

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

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

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

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

This announcement is prepared in English language and translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

INTERIM RESULTS

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

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

For the three months and six months ended 30 September 2018

	<i>Notes</i>	Three months ended 30 September		Six months ended 30 September	
		2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Revenue	3	219,761	126,622	328,901	195,226
Cost of services		<u>(202,065)</u>	<u>(115,913)</u>	<u>(302,785)</u>	<u>(179,245)</u>
Gross profit		17,696	10,709	26,116	15,981
Other income, gains and losses		357	294	402	316
Administrative expenses		(2,684)	(1,619)	(5,724)	(3,615)
Listing expenses		—	(4,190)	—	(6,321)
Finance costs		<u>(87)</u>	<u>(25)</u>	<u>(132)</u>	<u>(59)</u>
Profit before taxation		15,282	5,169	20,662	6,302
Income tax expense	5	<u>(2,603)</u>	<u>(1,539)</u>	<u>(3,500)</u>	<u>(2,065)</u>
Profit and total comprehensive income for the period attributable to owners of the Company	6	<u>12,679</u>	<u>3,630</u>	<u>17,162</u>	<u>4,237</u>
Basic earnings per share	8	<u>HK3.41 cents</u>	<u>HK1.30 cents</u>	<u>HK4.61 cents</u>	<u>HK1.52 cents</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2018 <i>HK\$'000</i> (Unaudited)	As at 31 March 2018 <i>HK\$'000</i> (Audited)
Non-current assets			
Plant and equipment		3,344	2,379
Deposits for acquisition of plant and equipment		<u>213</u>	<u>547</u>
		<u>3,557</u>	<u>2,926</u>
Current assets			
Trade and other receivables	9	66,346	90,387
Contract assets	10	98,670	—
Amounts due from customers for contract work		—	73,602
Bank balances and cash		<u>58,680</u>	<u>69,017</u>
		<u>223,696</u>	<u>233,006</u>
Current liabilities			
Trade and other payables	11	54,232	70,151
Contract liabilities	10	22,995	—
Amounts due to customers for contract work		—	35,971
Tax payable		4,104	4,214
Borrowings		5,871	—
Obligations under finance leases		<u>815</u>	<u>959</u>
		<u>88,017</u>	<u>111,295</u>
Net current assets		<u>135,679</u>	<u>121,711</u>
Total assets less current liabilities		<u>139,236</u>	<u>124,637</u>

	As at 30 September 2018	As at 31 March 2018
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Non-current liabilities		
Obligations under finance leases	916	1,263
Deferred tax liabilities	248	149
	<u>1,164</u>	<u>1,412</u>
Net assets	<u>138,072</u>	<u>123,225</u>
Capital and reserves		
Share capital	3,720	3,720
Reserves	134,352	119,505
Total equity	<u>138,072</u>	<u>123,225</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 4 July 2017 and its shares have been listed on GEM of the Stock Exchange with effect from 13 February 2018.

Pursuant to the reorganisation (“Reorganisation”) as set out in the section headed “History, Corporate Structure and Reorganisation” in the Company’s prospectus dated 30 January 2018 (the “Prospectus”), the Reorganisation involved incorporation of and interspersing the Company, Nation Max Holdings Limited and other investment holding companies between Double Gain Engineering Limited and the then shareholders. Upon the completion of the Reorganisation, the Company has become the holding company of the companies now comprising the Group on 23 January 2018. The Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The condensed consolidated statement of profit or loss and other comprehensive income of the Group which include the results of the companies comprising the Group for the six months ended 30 September 2017 have been prepared as if the Company had always been the holding company of the companies now comprising the Group and the current group structure had been in existence throughout the period, or since their respective dates of incorporation or establishment, where it is a shorter period.

The condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Chapter 18 of GEM Listing Rules.

The condensed consolidated financial statements has not been audited by the auditor of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis. Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures.

3. REVENUE

Revenue represents the net amounts received and receivable for provision of building construction services and RMAA Services rendered by the Group to customers.

An analysis of the Group's revenue is as follows:

	Three months ended		Six months ended	
	30 September		30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Contract revenue from provision of RMAA Services	202,111	117,784	296,474	172,537
Contract revenue from provision of building construction services	<u>17,650</u>	<u>8,838</u>	<u>32,427</u>	<u>22,689</u>
Total	<u><u>219,761</u></u>	<u><u>126,622</u></u>	<u><u>328,901</u></u>	<u><u>195,226</u></u>
Timing of revenue recognition				
Over time	<u><u>219,761</u></u>	<u><u>126,622</u></u>	<u><u>328,901</u></u>	<u><u>195,226</u></u>

4. SEGMENT INFORMATION

The Group focuses primarily on the provision of building construction services and RMAA Services in Hong Kong. The operation of the Group constitutes one single operating and reportable segment. The management of the Group, being the chief operating decision maker of the Group, review the revenue and operating results of the Group as a whole which is prepared based on the same accounting policies as set out in note 2 above to make decisions about resource allocation and performance assessment and accordingly no separate segment information is prepared other than entity-wide disclosure.

5. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 September		30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current Tax				
Hong Kong Profits Tax	2,567	1,605	3,401	2,065
Deferred Tax	<u>36</u>	<u>(66)</u>	<u>99</u>	<u>—</u>
	<u>2,603</u>	<u>1,539</u>	<u>3,500</u>	<u>2,065</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the Period (2017: 16.5%).

6. PROFIT FOR THE PERIOD

	Three months ended		Six months ended	
	30 September		30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period is arrived				
at after (crediting) charging:				
Depreciation of plant and equipment	339	289	639	646
Impairment losses, net	45	—	45	—
Interest income	(131)	—	(131)	—
Gain on disposal of plant and equipment	<u>—</u>	<u>—</u>	<u>—</u>	<u>(146)</u>

7. DIVIDENDS

No dividend were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of interim period.

8. EARNINGS PER SHARE

	Three months ended		Six months ended	
	30 September 2018 (Unaudited)	2017 (Unaudited)	30 September 2018 (Unaudited)	2017 (Unaudited)
Earnings for the purpose of calculating basic earnings per share (HK\$'000)	12,679	3,630	17,162	4,237
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>372,000,000</u>	<u>279,000,000</u>	<u>372,000,000</u>	<u>279,000,000</u>

For the six months ended 30 September 2017, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined in the assumption that the capitalisation issue has been effective since 1 April 2017.

No diluted earnings per share is presented as there was no potential ordinary shares in issue during both periods.

9. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables presented based on dates of works certified at the end of the reporting period, net of allowance for doubtful debts.

	30 September 2018 HK\$'000 (Unaudited)	31 March 2018 HK\$'000 (Audited)
1–30 days	31,801	21,295
31–60 days	591	23,798
61–90 days	4,206	—
Over 90 days	<u>8,806</u>	<u>7,583</u>
	45,404	52,676
Other receivables	<u>20,942</u>	<u>37,711</u>
	<u>66,346</u>	<u>90,387</u>

Retention receivables

The following is an aged analysis of retention receivables, based on invoice date of respective project, at the end of the reporting period.

	30 September 2018	31 March 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within one year	—	19,054
After one year	—	1,390
	<u>—</u>	<u>20,444</u>
	<u>—</u>	<u>20,444</u>

10. CONTRACT ASSETS AND LIABILITIES

	30 September 2018
	<i>HK\$'000</i>
	(Unaudited)
Provision of RMAA Services	76,830
Provision of building construction services	<u>(1,155)</u>
	<u>75,675</u>
Analysed for reporting purposes as:	
Contract assets	98,670
Contract liabilities	<u>(22,995)</u>
	<u>75,675</u>

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in satisfying the respective performance obligations at the reporting date on respective contracts. The contract assets are transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to Group's obligation to transfer construction contracts to customers for which the Group has received consideration from customers.

Retention receivables

At 30 September 2018, included in contract assets and liabilities are retention receivables of HK\$12,604,000.

The following is an aged analysis of retention receivables, based on invoice date of respective project, at the end of the reporting period.

	30 September 2018 HK\$'000 (Unaudited)
Within one year	11,224
After one year	<u>1,380</u>
	<u><u>12,604</u></u>

11. TRADE AND OTHER PAYABLES

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

	30 September 2018 HK\$'000 (Unaudited)	31 March 2018 HK\$'000 (Audited)
1–30 days	14,462	20,030
31–60 days	18,363	4,333
61–90 days	3,967	2,139
Over 90 days	<u>6,361</u>	<u>4,096</u>
	43,153	30,598
Other payables	<u>11,079</u>	<u>39,553</u>
	<u><u>54,232</u></u>	<u><u>70,151</u></u>

As at 31 March 2018, all the retention payables were aged within one year (2017: aged within one year).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

Our Group is an established construction contractor in Hong Kong founded in 2004, principally engaged in subcontracting works providing RMAA Services and building construction services. Our RMAA Services include general upkeep, restoration and improvement of existing facilities and components of buildings and their surroundings; and our building construction services primarily consist of building works and civil works for new buildings such as lift tower, soccer field and walkways.

Looking forward, the Directors consider that the future opportunities and challenges which the Group face will be affected by the availability of construction projects from the public and private sectors in Hong Kong.

With the Group's reputation in the Hong Kong construction industry, long-term relationship with certain major customers, suppliers and subcontractors, and the experienced and professional management team, the Directors consider that the Group is well-positioned to compete against its competitors under future challenges that are commonly faced by all competitors. The Group will continue to strengthen the market position in the industry and expand the market share and further strengthen our manpower by utilising the net proceeds from the Listing.

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$195.2 million for the six months ended 30 September 2017 to approximately HK\$328.9 million for the Period. The increase was mainly attributable to the increase in revenue derived from RMAA Services due to increase in value of work certified of projects namely RMAA Services of all aided schools at the New Territories east of Hong Kong and maintenance and repair work for Hong Kong government properties at the New Territories east and outlying islands of Hong Kong. Our revenue rendered from building construction services increased from approximately HK\$22.7 million for the six months ended 30 September 2017 to approximately HK\$32.4 million for the Period. Such increase was due to the increase in value of work certified of projects namely refurbishment and conversion of a hospital.

Cost of Services

Our cost of services increased from approximately HK\$179.2 million for the six months ended 30 September 2017 to approximately HK\$302.8 million for the Period, which is in line with the increase in revenue for the six months ended 30 September 2017 as compared to that for the Period.

Gross Profit

Our gross profit increased from approximately HK\$16.0 million for the six months ended 30 September 2017 to approximately HK\$26.1 million for the Period. Our gross profit margin decreased from approximately 8.2% for the six months ended 30 September 2017 to approximately 7.9% for the Period. Such decrease was mainly attributable to the decrease in the gross profit margin of RMAA services.

Other Income, gains and losses

Our other income increased from approximately HK\$316,000 for the six months ended 30 September 2017 to approximately HK\$402,000 for the Period. The increase was mainly attributable to the increase in bank interest income.

Administrative Expenses

Our Group's administrative expenses increased from approximately HK\$3.6 million for the six months ended 30 September 2017 to approximately HK\$5.7 million for the Period. The increase was mainly attributable to the increase in staff costs including directors' remuneration.

Finance Costs

Our Group's finance costs increased by approximately HK\$73,000 for the Period, which was mainly due to increase in interest on new bank loans raised.

Income Tax Expense

The income tax expenses increased by approximately HK\$1.4 million for the Period. Our effective tax rate was approximately 16.9% for the Period, which was slightly higher to effective tax rate of approximately 16.4% after excluding the non-deductible expenses of Listing expenses of approximately HK\$6.3 million for the six months ended 30 September 2017.

Profit for the Period

Our Group's net profit increased from approximately HK\$4.2 million for the six months ended 30 September 2017 to approximately HK\$17.2 million for the Period. Such increase was mainly attributable to the effect of Listing expenses and the increase in revenue and cost of services as explained above.

Liquidity and Financial Resources

The Group maintained a sound financial position during the Period. As at 30 September 2018, the Group had a bank balances and cash of approximately HK\$58.7 million (31 March 2018: approximately HK\$69.0 million). The total interest-bearing borrowings, including borrowings and obligations under finance leases, of the Group as at 30 September 2018 was approximately HK\$7.6 million (31 March 2018: approximately HK\$2.2 million), and the current ratio as at 30 September 2018 was approximately 2.5 (31 March 2018: approximately 2.1).

Gearing Ratio

The gearing ratio of the Group as at 30 September 2018 was approximately 5.5% (31 March 2018: approximately 1.8%). Such increase was primarily attributable to the new bank loans obtained from bank during the period. The gearing ratio is calculated by dividing the total debt which represents obligations under finance leases by total equity as at the end of the years multiplied by 100%.

Capital Structure

The shares of the Company were successfully listed on GEM of the Stock Exchange on 13 February 2018. There has been no change in the capital structure of the Company since then. The share capital of the Group only comprises of ordinary shares.

Commitment

The operating lease commitment of the Group was related to the lease of its office, workshops and warehouses. The Group's operating lease commitment amounted to approximately HK\$0.1 million as at 30 September 2018 (31 March 2018: HK\$0.3 million).

The capital commitment of the Group was capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements. As at 30 September 2018, there is no capital commitment (31 March 2018: HK\$0.8 million).

Segment Information

Segment information is disclosed in note 4 of the notes to the condensed consolidated financial statements.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the section headed "Future plans and use of proceeds" of the Prospectus, the Group did not have any plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the Period, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Significant Investment

As at 30 September 2018, the Group did not hold any significant investment.

Contingent Liabilities

As at 30 September 2018, the Group did not have material contingent liabilities.

Exposure to Exchange Rate Fluctuation

The Group's revenue generating operations are mainly transacted in Hong Kong Dollars. The Directors consider that the impact of foreign exchange exposure to the Group is minimal.

Charge of Group's Assets

As at 30 September 2018, the Group did not charge any of Group's assets.

Employees and Remuneration Policies

As at 30 September 2018, the Group had a total of 175 employees (31 March 2018: 144 employees). The Group's gross staff costs for the Period amounted to approximately HK\$21.2 million (30 September 2017: HK\$10.7 million). To ensure that the Group is able to attract and retain Directors and staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. There was no forfeited contribution under Mandatory Provident Fund scheme during the Period.

Events After the Reporting Period

There are no material subsequent events undertaken by the Company or by the Group after 30 September 2018.

Comparison of Business Strategies and Actual Business Progress

An analysis comparing the business strategies as disclosed in the Prospectus with the Group's actual business progress for the period from the Listing Date to 30 September 2018 is set out below:

Business objectives

Continue to strengthen our market position in the industry and expand our market share in Hong Kong

Further strengthening our manpower

Progress

The Group continues being invited to submit 5 tenders and provide 5 quotations

The Group continues to expand our labour resources, recruited 31 additional staff

For details of the implementation of the abovementioned business strategies, please refer to section headed "Use of Proceeds" in this announcement.

Use of Proceeds

The final offer price for the Listing was HK\$0.80 per share, and the actual net proceeds from the Listing were approximately HK\$51.8 million, after deducting the listing-related expenses of approximately HK\$22.6 million (of which, approximately HK\$15.6 million and HK\$7.0 million are recognised in the consolidated statement of profit or loss and other comprehensive income and the

consolidated statement of changes in equity, respectively). This amount was higher than the estimated net proceeds of approximately HK\$44.1 million, which was based on a mid-point offer price of HK\$0.70 per share, as disclosed in the Prospectus. In light of the difference between the actual and estimated amount of the net proceeds, the Group has adjusted the use of proceeds, applying all surplus proceed to obtain surety bonds, as shown in the Prospectus:

	Adjusted use of net proceeds <i>HK\$ million</i>	Planned use of net proceeds from Listing Date to 30 September 2018 <i>HK\$ million</i>	Actual use of net proceeds up to 30 September 2018 <i>HK\$ million</i>
The recruitment and retaining of additional staff	21.2	7.2	4.0
The surety bond	23.7	16.0	0.0
Purchase of machineries and motor vehicles	2.9	2.4	1.6
Working capital	<u>4.0</u>	N/A	<u>4.0</u>
Total	<u><u>51.8</u></u>		<u><u>9.6</u></u>

The net proceeds are designated for the purposes in accordance with disclosures in the Prospectus. During the period, no utilization of surety bond as there is no new project required surety bond commenced.

The Company intends to continue to apply the net proceeds in accordance with the section headed “Future Plans and Use of Proceeds” of the Prospectus.

OTHER INFORMATION

Corporate Governance Code

The Company endeavors to adopt prevailing best corporate governance practices. During the Period, the Company had complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix 15 of the GEM Listing Rules and there has been no deviation in relation thereto.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “Code of Conduct”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Required Standard Dealings”). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings during the Period and up to the date of this announcement.

Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures

As at 30 September 2018, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (“Shares”), underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 and 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in the Shares

Name of Directors	Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in controlled corporation	104,625,000 ordinary Shares (L)	28.125%
Mr. Tsang Man Ping (Note 3)	Interest in controlled corporation	104,625,000 ordinary Shares (L)	28.125%

Notes:

1. The letter (L) denotes the person's long interest in our Shares.
2. Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King International Investment Limited (“Universe King”) and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.
3. Mr. Tsang Man Ping beneficially owns the entire issued share capital of Great Star Investment Group Limited (“Great Star”) and is deemed, or taken to be, interested in all the Shares held by Great Star for purposes of the SFO.

(ii) *Long position in the ordinary shares of associated corporation*

Name of Directors	Name of associated corporation	Nature of interest	Number of Shares held	Percentage of interest
Mr. Tsang Chiu Kwan	Universe King	Beneficial Owner	1,000	100%
Mr. Tsang Man Ping	Great Star	Beneficial Owner	1,000	100%

Save as disclosed above and so far as is known to the Directors, as at 30 September 2018, none of the Directors nor chief executives of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2018, so far as is known to the Directors, the following persons had an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange 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, 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 any member of the Group:

Name of shareholders	Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding
Mr. Tsang Chiu Kwan (Note 2)	Interest in controlled corporation	104,625,000 Shares (L)	28.125%
Ms. Leung Wai Ling ("Ms. Leung") (Note 3)	Interest of spouse	104,625,000 Shares (L)	28.125%
Universe King	Beneficial owner	104,625,000 Shares (L)	28.125%
Mr. Tsang Man Ping (Note 4)	Interest in controlled corporation	104,625,000 Shares (L)	28.125%
Ms. Wong Lin Fun ("Ms. Wong") (Note 5)	Interest of spouse	104,625,000 Shares (L)	28.125%
Great Star	Beneficial owner	104,625,000 Shares (L)	28.125%
Mr. Lai Wai Lam Ricky ("Mr. Lai") (Note 6)	Interest in controlled corporation	62,775,000 Shares (L)	16.875%
Ms. Chu Siu Ping ("Ms. Chu") (Note 7)	Interest of spouse	62,775,000 Shares (L)	16.875%
Giant Winchain Limited ("Giant Winchain")	Beneficial owner	62,775,000 Shares (L)	16.875%

Notes:

1. The letter (L) denotes the person's long interest in our Shares.
2. Mr. Tsang Chiu Kwan beneficially owns the entire issued share capital of Universe King and is deemed, or taken to be, interested in all the Shares held by Universe King for purposes of the SFO.
3. Ms. Leung is the spouse of Mr. Tsang Chiu Kwan and is deemed, or taken to be, interested in all the Shares held by Mr. Tsang Chiu Kwan for purposes of the SFO.
4. Mr. Tsang Man Ping beneficially owns the entire issued share capital of Great Star and is deemed, or taken to be, interested in all the Shares held by Great Star for purposes of the SFO.
5. Ms. Wong is the spouse of Mr. Tsang Man Ping and is deemed, or taken to be, interested in all the Shares held by Mr. Tsang Man Ping for purposes of the SFO.

6. Mr. Lai beneficially owns the entire issued share capital of Giant Winchain and is deemed, or taken to be, interested in all the Shares held by Giant Winchain for purposes of the SFO.
7. Ms. Chu is the spouse of Mr. Lai and is deemed, or taken to be, interested in all the Shares held by Mr. Lai for purposes of the SFO.

Save as disclosed above and so far as is known to the Directors, the Directors are not aware of any person who, as at 30 September 2018, had an interest or short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange 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, 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 any member of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES OR DEBENTURE

Save as disclosed above, at no time during the Period were any rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period and up to the date of this announcement.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

During the Period, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

INTEREST OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Innovax Capital Limited (the "Compliance Adviser"), as at 30 September 2018, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 15 August 2017, the Compliance Adviser and its directors, employees or close associates did not have any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

SHARE OPTION SCHEME

The share option scheme of the Company (the “Share Option Scheme”) is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules. The Share Option Scheme was adopted on 23 January 2018. As of the date of this announcement, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has been established on 23 January 2018 in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. Written terms of reference in compliance with code provision C.3.3 of the Corporate Governance Code and Corporate Governance Report, as set out in Appendix 15 to the GEM Listing Rules have been adopted. The primary duties of the Audit Committee are, among other things, to review and supervise the Company’s financial reporting process, the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chen Yeung Tak, as the chairman of the Audit Committee, Mr. So Chun Man and Ms. Li Amanda Ching Man. The Audit Committee has reviewed the unaudited condensed financial statements of the Company for the Period and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board
Gain Plus Holdings Limited
Tsang Chiu Kwan
Chairman

Hong Kong, 7 November 2018

As at the date of this announcement, the executive Directors are Mr. Tsang Chiu Kwan, Mr. Tsang Man Ping and Mr. Lee Alexander Patrick and the independent non-executive Directors are Mr. So Chun Man, Mr. Chen Yeung Tak and Ms. Li Amanda Ching Man.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk and in the case of this announcement, on the “Latest Company Announcements” page of GEM website at www.hkgem.com for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.doublegain.hk.