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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: 9900)

INTERIM RESULTS ANNOUNCEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Gain Plus Holdings Limited (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 2024 (the “Period”) together with the unaudited comparative figures for the corresponding period in 2023, as follows:

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

For the six months ended 30 September 2024

		Six months ended 30 September 2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	620,583	482,034
Cost of services		(589,319)	(450,848)
Gross profit		31,264	31,186
Other income, other gains and losses	5	4,084	4,440
Impairment losses under expected credit loss model, net of reversal		212	(3,374)
Administrative expenses		(15,470)	(15,246)
Finance costs		(7)	(15)
Share of result of an associate		2,942	1,888
Profit before taxation	7	23,025	18,879
Income tax expense	6	(3,121)	(2,565)
Profit and total comprehensive income for the period		19,904	16,314
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		16,658	13,691
Non-controlling interests		3,246	2,623
		19,904	16,314
Earnings per share			
Basic (HK cents)	9	4.48	3.68

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
	Notes		
Non-current assets			
Plant and equipment	10	1,851	2,631
Right-of-use assets	11	138	275
Interest in an associate		8,999	6,057
Deferred tax assets		1,544	1,534
		<u>12,532</u>	<u>10,497</u>
Current assets			
Trade and other receivables	12	129,976	121,009
Financial assets at fair value through profit or loss ("FVTPL")		27,106	14,998
Contract assets	13	70,041	77,044
Tax recoverable		1,581	2,014
Amount due from an associate		2,106	978
Amount due from a shareholder		10	10
Bank balances and deposits		141,840	125,124
		<u>372,660</u>	<u>341,177</u>
Current liabilities			
Trade and other payables	14	82,714	68,961
Contract liabilities		12,454	12,454
Lease liabilities		145	280
		<u>95,313</u>	<u>81,695</u>
Net current assets		<u>277,347</u>	<u>259,482</u>
Total assets less current liabilities		<u>289,879</u>	<u>269,979</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2024

		As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
Non-current liabilities			
Lease liabilities		—	4
Net assets		289,879	269,975
Capital and reserves			
Share capital	15	3,720	3,720
Reserves		278,633	261,975
Equity attributable to owners of the Company		282,353	265,695
Non-controlling interests		7,526	4,280
Total equity		289,879	269,975

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL INFORMATION

Gain Plus Holdings Limited (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 are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company has established a place of business in Hong Kong which is located at Unit 1323A, Level 13, Landmark North, 39 Lung Sum Avenue, Sheung Shui, New Territories, Hong Kong.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the provision of building construction services and repair, maintenance, addition and alteration services (“RMAA Services”). The Company and its subsidiaries are hereafter collectively referred to as the “Group”.

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial assets/liabilities at fair value through profit or loss which are measured at fair value, as appropriate. Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the Group’s unaudited condensed consolidated interim financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Revise to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated interim financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of services		
Provision of building construction services	212,544	60,386
Provision of RMAA Services	408,039	421,648
	<hr/>	<hr/>
Total revenue	620,583	482,034
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition		
Over time	620,583	482,034
	<hr/> <hr/>	<hr/> <hr/>

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, reviews the revenue and operating results of the Group as a whole to make decisions about resource allocation and performance assessment and accordingly no separate segment information is prepared other than entity-wide disclosure.

5. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Other income:		
Interest income from an associate	—	215
Bank interest income	1,596	3,118
Investment interest and dividend income	—	—
Handling income	12	10
Subsidies from government and others	—	145
Gain on disposals of plant and equipment	—	417
Gain on disposal of a subsidiary	—	57
Others	368	249
	<u>1,976</u>	<u>4,211</u>
Other gains and losses:		
Increase in fair value of financial assets at FVTPL	2,108	229
	<u>2,108</u>	<u>229</u>
Total other income, other gains and losses	<u><u>4,084</u></u>	<u><u>4,440</u></u>

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong Profits Tax	3,131	2,943
Deferred tax	(10)	(378)
	<u>3,121</u>	<u>2,565</u>
Income tax expense	<u><u>3,121</u></u>	<u><u>2,565</u></u>

Hong Kong Profits Tax has been provided at the rate of 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for both periods.

7. PROFIT BEFORE TAXATION

Six months ended 30 September	
2024	2023
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)

Profit for the period is arrived at after charging:

Depreciation of right-of-use assets	137	138
Depreciation of plant and equipment	<u>780</u>	<u>738</u>

8. DIVIDENDS

No dividend were paid, declared or proposed for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

9. EARNINGS PER SHARE

Six months ended 30 September	
2024	2023
<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)

Profit and total comprehensive income for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	16,658	13,691
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000)	372,000	372,000
Basic earnings per share (<i>in HK cents</i>)	<u>4.48</u>	<u>3.68</u>

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

10. PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST					
At 1 April 2023	207	1,272	478	6,701	8,658
Additions	—	—	2	2,814	2,816
Disposals/written-off	—	—	—	(3,133)	(3,133)
At 31 March 2024 (audited)	207	1,272	480	6,382	8,341
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
At 30 September 2024 (unaudited)	<u>207</u>	<u>1,272</u>	<u>480</u>	<u>6,382</u>	<u>8,341</u>
DEPRECIATION					
At 1 April 2023	205	1,208	155	4,455	6,023
Provided for the year	2	51	71	1,484	1,608
Eliminated on disposals/written-off	—	—	—	(1,921)	(1,921)
At 31 March 2024 (audited)	207	1,259	226	4,018	5,710
Provided for the period	—	13	34	733	780
Eliminated on disposals	—	—	—	—	—
At 30 September 2024 (unaudited)	<u>207</u>	<u>1,272</u>	<u>260</u>	<u>4,751</u>	<u>6,490</u>
CARRYING VALUES					
At 30 September 2024 (unaudited)	<u>—</u>	<u>—</u>	<u>220</u>	<u>1,631</u>	<u>1,851</u>
At 31 March 2024 (audited)	<u>—</u>	<u>13</u>	<u>254</u>	<u>2,364</u>	<u>2,631</u>

11. RIGHT-OF-USE ASSETS

	Leased property HK\$'000
At 30 September 2024 (unaudited)	
Carrying amount	<u>138</u>
At 31 March 2024 (audited)	
Carrying amount	<u>275</u>
For the six months ended 30 September 2024 (unaudited)	
Depreciation charge	<u>137</u>
For the year ended 31 March 2024 (audited)	
Depreciation charge	<u>275</u>

12. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables presented based on date of works certified at the end of the reporting periods, net of allowance for credit losses.

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
1-30 days	67,121	74,617
31-60 days	10,251	27,166
61-90 days	26,940	—
Over 90 days	<u>5,038</u>	<u>2,056</u>
Trade receivables	109,350	103,839
Less: Allowance for credit losses	<u>(2,828)</u>	<u>(2,343)</u>
Trade receivables, net	106,522	101,496
Prepayment to subcontractors	5,864	7,603
Other receivables and prepayments	<u>17,590</u>	<u>11,910</u>
Total trade and other receivables	<u>129,976</u>	<u>121,009</u>

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 30 September 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$40,051,000 (31 March 2024: approximately HK\$27,807,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$4,178,000 (31 March 2024: approximately HK\$1,329,000) has been past due 90 days or more and is not considered as in default since the Group is still engaging with those corresponding debtors in active projects or the Group considers good cooperation relationships with these debtors exist and with good repayment record. The Group does not hold any collateral over these balances.

The Group's management closely monitors the credit quality of debtors and considers the debtors that are past due but not impaired to be of a good credit quality. Based on the payment pattern of the customers of the Group, debtors that are past due but not impaired are generally collectible.

As at 30 September 2024, included in other receivables and prepayments mainly represent the surety bond paid to a main contractor amounting to HK\$10,100,000 (31 March 2024: HK\$10,100,000).

13. CONTRACT ASSETS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Analysed as current:		
Retention receivables of construction contracts (<i>Note a</i>)	21,840	23,868
Unbilled revenue of construction contracts (<i>Note b</i>)	55,429	61,101
	77,269	84,969
Less: Allowance for credit losses	(7,228)	(7,925)
	70,041	77,044

Notes:

- (a) Retention receivables included in contract assets represent the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. As at 30 September 2024, the due dates for retention receivables are one to two years (31 March 2024: one to two years) after the completion of construction work.
- (b) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

14. 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 periods:

	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
1-30 days	54,019	44,825
31-60 days	4,423	1,423
61-90 days	519	1,798
Over 90 days	14,448	11,511
	<hr/>	<hr/>
Trade payables	73,409	59,557
Retention payables	4,369	3,642
Accruals	4,936	5,762
	<hr/>	<hr/>
Total trade and other payables	82,714	68,961

As at 30 September 2024, all the retention payables were aged within one to two years (31 March 2024: aged within one to two years).

15. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 30 September 2024	780,000,000	7,800
	<hr/>	<hr/>
Issued and fully paid:		
At 1 April 2023, 31 March 2024 and 30 September 2024	372,000,000	3,720
	<hr/>	<hr/>

16. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 23 January 2018, amended and modified by the resolutions of the board of Directors (the "Board") on 16 December 2019, for the primary purpose of providing incentives to the Directors and eligible employees. Under the scheme, the Directors may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company. Details of the Share Option Scheme are disclosed in the Directors' Report of 2023-2024 annual report dated 28 June 2024.

During the six months ended 30 September 2024, the Group did not granted any share option under the Share Option Scheme of the Company (six months ended 30 September 2023: nil).

17. DISPOSAL OF A SUBSIDIARY

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash inflow on disposal of:		
– Golden Leasing Limited	—	100

a. Disposal of a subsidiary during the six months ended 30 September 2024

There is no disposal of a subsidiary during the six months ended 30 September 2024.

b. Disposal of a subsidiary during the six months ended 30 September 2023

Disposal of Golden Leasing Limited

On 1 September 2023, Gain Large Limited, a subsidiary of the Company, entered into an agreement with an independent third party to dispose of 100% equity interest in a subsidiary, Golden Leasing Limited, for an aggregate cash consideration of HK\$100,000. Golden Leasing Limited is dormant.

The disposal was completed on 1 September 2023.

An analysis of assets and liabilities over which control was lost:

	HK\$'000 (unaudited)
Assets	
Cash and bank balances	43
Net assets disposed of	43

17. DISPOSAL OF A SUBSIDIARY (CONTINUED)

b. Disposal of a subsidiary during the six months ended 30 September 2023 (Continued)

Gain on disposal of a subsidiary

	HK\$'000 (unaudited)
Cash consideration	100
Net assets disposed of	(43)
	<hr/>
Net cash inflow	<u>57</u>

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

a. Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at			
	30 September 2024 <i>HK\$'000</i> (unaudited)	31 March 2024 <i>HK\$'000</i> (audited)	Fair value hierarchy	Valuation technique and key input
Financial assets at FVTPL				
Unlisted fund investments	27,106	14,998	Level 3	Inputs obtained from broker quotes or a pricing service that are indicative and not corroborated with observable market data

There were no transfers between Level 1, 2 and 3 in both periods.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

a. Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

In accounting for the fair value measurement of the unlisted fund investments, the management of the Group has determined that the reported net asset values of unlisted fund investments provided by the fund managers represent the fair value of the unlisted private equity funds. The fund managers used methodology based on relevant comparable data whether possible to quantify the adjustment from cost or latest financing price when adjustment if necessary, or to determine the closing price per share quoted on the relevant stock exchanges, or to justify that cost or latest financing price is still a proper approximation of fair value of the underlying investments held by the unlisted private equity funds in determining the net asset values. The factors to be considered in fund managers' assessment may require the exercise of the judgment. The underlying investments of approximately HK\$27,106,000 (31 March 2024: approximately HK\$14,998,000) held by the unlisted fund were valued using cost or latest finance price without adjustment.

b. Reconciliation of Level 3 fair value measurements of financial assets

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Equity-linked notes and unlisted fund investments		
At 1 April	14,998	14,643
Purchase	10,000	—
Total gain (loss):		
— In profit or loss	2,108	229
	<u>27,106</u>	<u>14,872</u>
At 30 September (unaudited)	<u>27,106</u>	<u>14,872</u>

Note: The gain and loss arising from the remeasurement are presented in the “other income, other gains and losses” line item in the unaudited condensed consolidated statement of profit or loss.

c. Pledge of financial instruments

No financial instrument has been pledged for bank borrowings (31 March 2024: Nil).

19. RELATED PARTY TRANSACTIONS

Other than the transactions and balances disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following transactions with related parties during the periods:

(i) Transactions

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Purchases of materials from:		
Victor Link Trading Limited (<i>Note a</i>)	—	—
Interest income from:		
Skyway Construction Engineering Limited (<i>Note b</i>)	—	215
Management fee income from:		
Skyway Construction Engineering Limited (<i>Note b</i>)	<u>240</u>	<u>—</u>

Notes:

- a. The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping are the then common directors and ultimate controlling parties of Victor Link Trading Limited (Mr. Tsang Man Ping resigned as an executive Director of the Company on 30 June 2021).
- b. The Group's related party transactions were carried out in accordance with the terms and conditions mutually agreed by the contracting parties. Skyway Construction Engineering Limited is an associate of the Group.

(ii) Compensation of key management personnel

The remuneration of key management personnel (including the Directors of the Company) of the Group during the periods are as follows:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	<u>11,325</u>	<u>11,385</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The principal activity of Gain Plus Holdings Limited (the “Company”, together with its subsidiaries, “Our Group”) is investment holding. Our Group is an established construction contractor in Hong Kong founded in 2004, principally engaged in subcontracting works, providing repair, maintenance, addition and alteration services (“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 columbarium blocks, demolition of staff quarters, road enhancement works and lift tower.

Looking forward, the directors of the Company (the “Directors”) consider that the future opportunities and challenges which the Group face will be affected by uncertainty to construction industry due to the availability of construction projects from the public and private sectors in Hong Kong.

Our Group stays positive about the prospect of the construction market and will continue to focus on our core business.

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately HK\$482.0 million for the six months ended 30 September 2023 to approximately HK\$620.6 million for the six months ended 30 September 2024 (the “Period”). The increase was mainly attributable to the increase in revenue derived from the provision of building construction services due to more projects were performed in 2024.

Cost of Services

Our cost of services increased from approximately HK\$450.8 million for the six months ended 30 September 2023 to approximately HK\$589.3 million for the Period, which is in line with the increased in revenue for the Period comparing with the figures for the six months ended 30 September 2023.

Gross Profit

Our gross profit increased from approximately HK\$31.2 million for the six months ended 30 September 2023 to approximately HK\$31.3 million for the Period. Our gross profit margin decreased from approximately 6.5% for the six months ended 30 September 2023 to approximately 5.0% for the Period. Such decrease was mainly attributable to the decrease in the gross profit margin of the provision of RMAA Services.

Other Income, Other Gains and Losses

Our other income, other gains and losses decreased from approximately HK\$4.4 million gains for the six months ended 30 September 2023 to approximately HK\$4.1 million gains for the Period. The decrease was mainly due to decrease of bank interest income during the Period.

Administrative Expenses

Our administrative expenses increased from approximately HK\$15.2 million for the six months ended 30 September 2023 to approximately HK\$15.5 million for the Period. The increase was mainly due to increase in Directors' remuneration during the Period.

Finance Costs

Our finance costs decreased from approximately HK\$15,000 for the six months ended 30 September 2023 to approximately HK\$7,000 for the Period, which was mainly due to the repayment of lease liabilities during the Period.

Income Tax Expense

The income tax expense increased by approximately HK\$0.6 million for the Period. Our effective tax rate was approximately 14.9% for the Period (for the six months ended 30 September 2023: approximately 13.8%), which was in the range of the statutory two tier tax rate between 8.25% and 16.5%.

Profit for the Period

Our net profit increased from approximately HK\$16.3 million for the six months ended 30 September 2023 to approximately HK\$19.9 million for the Period. Such increase was mainly due to the reversal of impairment loss in contract assets in 2024.

Liquidity and Financial Resources

The Group maintained a sound financial position during the Period. As at 30 September 2024, the Group had a bank balances of approximately HK\$141.8 million (31 March 2024: approximately HK\$125.1 million). The total interest-bearing borrowings, including lease liabilities and bank borrowings, of the Group as at 30 September 2024 was approximately HK\$0.1 million (31 March 2024: approximately 0.3), and the current ratio as at 30 September 2024 was approximately 3.9 (31 March 2024: approximately 4.2).

As at 30 September 2024, bank balances, bank borrowings and lease liabilities were denominated in Hong Kong Dollars.

Gearing Ratio

The gearing ratio of the Group as at 30 September 2024 was approximately 0.1% (31 March 2024: approximately 0.1%). Such decrease was primarily attributable to the decrease in lease liabilities during the Period. The gearing ratio is calculated by dividing the total debt which represents lease liabilities and bank borrowings by total equity as at the end of the reporting periods multiplied by 100%.

Capital Structure

There has been no change in the capital structure of the Company during the Period. The share capital of the Group only comprises of ordinary shares, share premium and capital and other reserves. The Group finances its working capital requirements mainly through a combination of its cash flows generated from operations, borrowings and proceeds from share offer.

Commitment

The operating lease commitment of the Group was related to the lease of its office, workshops and warehouses.

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 unaudited condensed consolidated interim financial statements. As at 30 September 2024 and 31 March 2024, the amount was nil.

Segment Information

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

Future Plans for Material Investment and Capital Assets

The Group did not have any other plans for material investment 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 2024, the Group did not hold any significant investment.

Contingent Liabilities

As at 30 September 2024, 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 2024, the Group did not charge any of Group's assets for bank borrowings.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group had a total of 262 employees (31 March 2024: 225 employees). The Group's gross staff costs for the Period amounted to approximately HK\$30.5million (six months ended 30 September 2023: approximately HK\$28.4 million). To ensure 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. We provide various types of trainings to our employees and sponsor our employees to attend training courses.

FUNDRAISING ACTIVITIES OF THE GROUP

During the Period, the Company had not issued any equity securities for cash.

OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Company endeavors to adopt prevailing best corporate governance practices. During the Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 of the Listing Rules apart from the code provision C.2.1 as disclosed below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The positions of chairman and chief executive officer of the Company are held by Mr. Tsang Chiu Kwan (“Mr. CK Tsang”), who has in-depth industry experience and knowledge about the operation and management of the business of the Company. Mr. CK Tsang is responsible for the overall strategic planning and business development as well as executing the overall operation of the Group. The Board believes that this arrangement enhances the effective and efficient planning and implementation of business decisions and strategies under the strong and consistent leadership, and would be overall beneficial to the management and development of the Group’s business.

CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “Model Code”). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Model Code during the Period and up to the date of this announcement.

Pursuant to B.13 of the Model Code, the Directors have also requested all employees of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

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.

DIVIDEND

No interim dividend has been declared in respect of the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

DIRECTORS' INTERESTS IN COMPETING INTERESTS

For the Period, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 16 December 2019 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed "Relationship with Controlling Shareholders" of the listing documents dated 19 December 2019 for Transfer of Listing.

EVENTS AFTER THE PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 30 September 2024.

UPDATE ON DIRECTORS' INFORMATION

There is no change in information of Directors which shall be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has been established on 23 January 2018 with written terms of reference, which revised effective from 30 December 2019, in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are, among other things, to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditor, and to oversee the risk management and internal control systems of the Company. 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 Mr. Lai Ming Ho. The Audit Committee has reviewed the unaudited condensed consolidated interim 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 Listing Rules, and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.gainplus.hk) and the Stock Exchange (www.hkexnews.hk). The Company's interim report for the six months ended 30 September 2024 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and will be available on the above websites in due course.

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

Hong Kong, 29 November 2024

As at the date of this announcement, the executive Directors are Mr. Tsang Chiu Kwan and Mr. Lau Ka Ho, and the independent non-executive Directors are Mr. So Chun Man, Mr. Chen Yeung Tak and Mr. Lai Ming Ho.