

**GAIN PLUS HOLDINGS LIMITED**

**德益控股有限公司**

(incorporated in the Cayman Islands with limited liability)

Stock code : 8522

**THIRD  
QUARTERLY  
REPORT  
2017-2018**

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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

This report, for which the directors of Gain Plus Holdings Limited (the “Company” and the “Directors” respectively) 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 report 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 report misleading.

## HIGHLIGHTS

For the nine months ended 31 December 2017 (the “Period”):

- Revenue of the Group was approximately HK\$329.9 million, decreased approximately 6.5% as compared to the corresponding period in 2016.
- Profit attributable to owners of the Company was approximately HK\$9.0 million (2016: approximately HK\$19.3 million).
- The Directors did not recommend the payment of dividend for the Period.

## RESULTS

The board of Directors (the “Board”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “Group”) for the Period, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

### UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2017

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2017	2016	2017	2016
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	134,698	115,688	329,924	352,681
Cost of services		(124,031)	(107,073)	(303,276)	(327,636)
Gross profit		10,667	8,615	26,648	25,045
Other income and gains		192	734	508	1,448
Administrative expenses		(1,999)	(1,150)	(5,614)	(3,592)
Listing expenses		(2,645)	—	(8,966)	—
Finance costs		(24)	(15)	(83)	(58)
Profit before taxation		6,191	8,184	12,493	22,843
Income tax expense	4	(1,452)	(1,244)	(3,517)	(3,524)
Profit and total comprehensive income for the period attributable to owners of the Company		4,739	6,940	8,976	19,319
Basic earnings per share	5	HK1.7 cent	HK3.3 cent	HK3.2 cent	HK9.2 cent

## UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Share capital HK\$'000	Reserves			Total HK\$'000
		Capital reserve HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	
At 1 April 2017 (Audited)	10	—	(3,337)	47,934	44,607
Profit and total comprehensive income for the period	—	—	—	8,976	8,976
Issue of shares by Double Gain Engineering Limited ("Double Gain")	20,000	—	—	—	20,000
Issue of shares by Nation Max Holdings Limited ("Nation Max") to acquire controlling interest of Double Gain as part of the group reorganisation	(20,002)	20,002	—	—	—
Dividend paid	—	—	—	(18,419)	(18,419)
<b>At 31 December 2017 (Unaudited)</b>	<b>8</b>	<b>20,002</b>	<b>(3,337)</b>	<b>38,491</b>	<b>55,164</b>
At 1 April 2016 (Audited)	10	—	(3,337)	32,271	28,944
Profit and total comprehensive income for the period	—	—	—	19,319	19,319
At 31 December 2016 (Unaudited)	10	—	(3,337)	51,590	48,263

# NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL INFORMATION

## 1. General Information

The Company was incorporated in the Cayman Islands on 4 July 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company's registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and the principal place of business is Unit 1323A, Level 13, Landmark North, 39 Lung Sum Avenue, Sheung Shui, the New Territories, Hong Kong.

The Company is an investment holding company. The principal activities of the Group is provision of building construction services and repair, maintenance, addition and alteration services ("RMAA Services").

The condensed combined financial information has not been audited by the auditor of the Company.

The unaudited condensed combined financial information of the Group is presented in Hong Kong dollars ("HK\$"), which is also the same as the function currency of the Group.

## 2. Reorganisation

In preparation for listing of the Company's shares on the GEM of the Stock Exchange (the "Listing"), the entities in the Group underwent a group reorganisation (the "Reorganisation") which involves interspersing the Company, Nation Max and other investment holding companies between Double Gain and the then shareholders.

Prior to the Reorganisation, the Group's operating subsidiary, Double Gain, was held as to 50% by Mr. Tsang Chiu Kwan and 50% by Mr. Tsang Man Ping. Both Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping have always been acting in concert in respect of the operations of the Group and therefore they are regarded as the Group's ultimate controlling shareholders (the "Controlling Shareholders"). Details of the Reorganisation are set out under the section headed "History, corporate structure and Reorganisation" in the prospectus of the Company dated 30 January 2018 (the "Prospectus").

The principle steps of the Reorganisation are as follows:

- (i) On 29 March 2017, a subscription agreement was entered into between Giant Winchain Limited (“Giant Winchain”), Wealth-In International Development Limited (“Wealth-In”), both are independent third parties, (collectively the “Pre-IPO Investors”), Mr. Tsang Chiu Kwan, Mr. Tsang Man Ping and Double Gain, pursuant to which each of Giant Winchain and Wealth-In subscribed and Double Gain allotted and issued 3,333 shares, of which 3,000 shares and 333 shares to Giant Winchain and Wealth-In respectively, which are all credited as fully paid at the total consideration of HK\$18,000,000 and HK\$2,000,000 respectively. The said 3,333 shares were properly and legally allotted and issued on 1 April 2017. After the said allotment, Double Gain was owned as to 25% by the Pre-IPO Investors and 75% by the Controlling Shareholders.
- (ii) On 24 April 2017, Great Star Investment Group Limited (“Great Star”) was incorporated in the British Virgin Islands (“BVI”) with limited liability, upon which it was authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each, of which 1,000 shares were allotted and issued as fully paid to Mr. Tsang Man Ping at par. Great Star was set up as a vehicle of Mr. Tsang Man Ping to hold his interest in the Company.
- (iii) On 25 April 2017, Universe King International Investment Limited (“Universe King”) was incorporated in the BVI with limited liability, upon which it was authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each, of which 1,000 shares were allotted and issued as fully paid to Mr. Tsang Chiu Kwan at par. Universe King was set up as a vehicle of Mr. Tsang Chiu Kwan to hold his interest in the Company.
- (iv) On 16 May 2017, Nation Max was incorporated in the BVI with limited liability and it was authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each, of which 2,250 shares, 250 shares, 3,750 shares and 3,750 shares respectively were allotted and issued as fully paid to Giant Winchain, Wealth-In, Great Star and Universe King at par.

- (v) On 4 July 2017, the Company was incorporated in the Cayman Islands with limited liability having an authorised share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each, of which one share was allotted and issued as fully paid to an initial subscriber (who is an independent third party) at par. On the same date, the subscriber share was transferred to Giant Winchain at par and additional 2,249 shares, 250 shares, 3,750 shares and 3,750 shares respectively were allotted and issued as fully paid to Giant Winchain, Wealth-In, Great Star and Universe King at par.
- (vi) On 21 July 2017, Giant Winchain, Wealth-In, Mr. Tsang Chiu Kwan, Mr. Tsang Man Ping and Nation Max entered into a share swap agreement, pursuant to which each of them respectively transferred 3,000 shares, 333 shares, 5,000 shares and 5,000 shares of Double Gain (representing the entire issued share capital in Double Gain held by each of them) to Nation Max. In consideration of the transfer, Nation Max allotted and issued 225 shares and 25 shares to Giant Winchain, Wealth-In respectively, and at the instruction of Mr. Tsang Chiu Kwan and Mr. Tsang Man Ping, allotted and issued 375 shares and 375 shares to Universe King and Great Star respectively. As a result, Double Gain became a wholly-owned subsidiary of Nation Max.
- (vii) On 23 January 2018, Giant Winchain, Wealth-In, Great Star and Universe King and the Company entered into a share swap agreement, pursuant to which each of them respectively transferred 2,475 shares, 275 shares, 4,125 shares and 4,125 shares of Nation Max (representing the entire issued share capital in Nation Max held by each of them) to the Company. In consideration of the transfer, the Company allotted and issued 225 shares, 25 shares, 375 shares and 375 shares to Giant Winchain, Wealth-In, Great Star and Universe King respectively. As a result, Nation Max became a wholly-owned subsidiary of the Company. After the said allotment, the Company was owned as to 25% by the Pre-IPO Investors and 75% by the Controlling Shareholders.

Upon the completion of the above steps, the Company became the holding company of the companies now comprising the Group on 23 January 2018. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.



The unaudited condensed combined financial information of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed combined statements of profit or loss and other comprehensive income and unaudited condensed combined statements of changes in equity of the Group have been prepared as if the group structure upon completion of the Reorganisation had been in existence throughout the nine months ended 31 December 2016 and the Period, or since their dates of incorporation, where there is a shorter period.

The unaudited condensed combined financial information should be read in conjunction with the Accountant's Report set out in Appendix I to the Prospectus. The accounting policies applied are consistent with those described in the Accountant's Report set out in Appendix I to the Prospectus.

### 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 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Contract revenue from provision of RMAA Services	90,121	98,114	262,658	317,371
Contract revenue from provision of building construction services	44,577	17,574	67,266	35,310
<b>Total</b>	<b>134,698</b>	<b>115,688</b>	<b>329,924</b>	<b>352,681</b>

#### 4. Income Tax Expense

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Current Tax				
Hong Kong Profits Tax	1,458	1,238	3,523	3,476
Deferred Tax	(6)	6	(6)	48
	<b>1,452</b>	<b>1,244</b>	<b>3,517</b>	<b>3,524</b>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the Period (2016: 16.5%).

#### 5. Earnings Per Share

	Three months ended 31 December		Nine months ended 31 December	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Earnings for the purpose of calculating basic earnings per share (HK\$'000)	4,739	6,940	8,976	19,319
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	279,000,000	209,250,000	279,000,000	209,250,000
Basic earnings per share	HK1.7 cent	HK3.3 cent	HK3.2 cent	HK9.2 cent

The weighted average number of shares has been determined on the assumption that the capitalisation issue (as defined in the Prospectus) has been completed on 1 April 2016.

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

# 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.

The Company has successfully listed its shares on GEM of the Stock Exchange on 13 February 2018 (the “Listing Date”) by ways of public offer and placing (the “Share Offer”). The proceed from the Share Offer will strengthen our financial position and will enhance our Group to implement its business plans set out in the section headed “Future plans and use of proceeds – Implementation plans” in the Prospectus.

## Financial Review

### Revenue

Our revenue decreased from approximately HK\$352.7 million for the nine months ended 31 December 2016 to approximately HK\$329.9 million for the Period. The decrease was mainly attributable to the decrease in revenue derived from RMAA Services due to completion of certain projects before 31 March 2017, partially offset by the increase in revenue derived from building construction services due to increase in value of work certified of certain project. Our revenue rendered from building construction services increased from approximately HK\$35.3 million for the nine months ended 31 December 2016 to approximately HK\$67.3 million for the Period.

### Cost of Services

Our cost of services decreased from approximately HK\$327.6 million for the nine months ended 31 December 2016 to approximately HK\$303.3 million for the Period, which is in line with the decrease in revenue for the nine months ended 31 December 2016 as compared to that for the Period.

## Gross Profit

Our gross profit increased from approximately HK\$25.0 million for the nine months ended 31 December 2016 to approximately HK\$26.6 million for the Period. Our gross profit margin increased from approximately 7.1% for the nine months ended 31 December 2016 to approximately 8.1% for the Period. Such increase was mainly attributable to the increase in the gross profit margin of RMAA Services.

## Other Income and gains

Our other income decreased from approximately HK\$1.4 million for the nine months ended 31 December 2016 to approximately HK\$0.5 million for the Period. The decrease was mainly attributable to the decrease in imputed interest income on amounts due from shareholders.

## Administrative Expenses

Our Group's administrative expenses increased from approximately HK\$3.6 million for the nine months ended 31 December 2016 to approximately HK\$5.6 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\$25,000 for the Period, which was mainly due to increase in interest on finance lease as a result of additional motor vehicles.

## Income Tax Expense

The income tax expenses decreased by approximately HK\$7,000 for the Period. Our effective tax rate was approximately 28.2% for the Period, which was higher than the statutory tax rate of 16.5%, primarily due to the non-deductible expense of Listing expenses of approximately HK\$9.0 million. Excluding the abovementioned, the effective tax rate would be approximately 16.4% which was similar to the statutory tax rate.

## Profit for the Period

Our Group's net profit decreased from approximately HK\$19.3 million for the nine months ended 31 December 2016 to approximately HK\$9.0 million for the Period. Such decrease was mainly attributable to the effect of Listing expenses and the increase in administrative expenses as explained above.

## Dividend

In October 2017, Double Gain declared and paid dividend for the year ended 31 March 2017 of approximately HK\$18,419,000 to offset against the amounts due from shareholders.

## Corporate Governance Code

The Company endeavors to adopt prevailing best corporate governance practices. Since the Listing Date, 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 since the listing of the Shares on the GEM on the Listing Date up to the date of this report.

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

The shares of the Company ("Shares") were not listed on the GEM as at 31 December 2017. Immediately following the listing of the Shares on the GEM on the Listing Date, the interests and short positions of the Directors and chief executive of the Company in the 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	104,606,400 ordinary Shares (L)	28.12%
Mr. Tsang Man Ping (Note 3)	Interest in controlled corporation	104,606,400 ordinary Shares (L)	28.12%

Notes:

- The letter (L) denotes the person's long interest in our Shares.
- 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.
- 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.

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

<b>Name of Directors</b>	<b>Name of associated corporation</b>	<b>Nature of interest</b>	<b>Number of Shares held</b>	<b>Percentage of interest</b>
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, immediate following the listing of the Shares on the GEM on the Listing Date, 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

The Shares were not listed on the GEM as at 31 December 2017. Immediately following the listing of the Shares on the GEM on the Listing Date, 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, directly or indirectly, be interested in 10% 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	104,606,400 Shares (L)	28.12%
Ms. Leung Wai Ling ("Ms. Leung") (Note 3)	Interest of spouse	104,606,400 Shares (L)	28.12%
Universe King	Beneficial owner	104,606,400 Shares (L)	28.12%
Mr. Tsang Man Ping (Note 4)	Interest in controlled corporation	104,606,400 Shares (L)	28.12%
Ms. Wong Lin Fun ("Ms. Wong") (Note 5)	Interest of spouse	104,606,400 Shares (L)	28.12%
Great Star	Beneficial owner	104,606,400 Shares (L)	28.12%
Mr. Lai Wai Lam Ricky ("Mr. Lai") (Note 6)	Interest in controlled corporation	62,793,600 Shares (L)	16.88%
Ms. Chu Siu Ping ("Ms. Chu") (Note 7)	Interest of spouse	62,793,600 Shares (L)	16.88%
Giant Winchain	Beneficial owner	62,793,600 Shares (L)	16.88%



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, immediately following the listing of the Shares on the GEM on the Listing Date, 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, directly or indirectly, be interested in 10% 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 since the listing of the Shares on GEM on the Listing Date up to the date of this report.

## **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 31 December 2017, 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 Company conditionally approved and adopted a share option scheme on 23 January 2018 (the "Scheme"). For the principle terms of the Scheme, please refer to "D. Share Option Scheme" in Appendix IV to the Prospectus. No share option has been granted by the Company under the Scheme since its adoption.

## 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 information of the Company for 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, 14 February 2018

*As at the date of this report, 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.*