

GAIN PLUS HOLDINGS LIMITED
德益控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 9900

**INTERIM
REPORT
2020-21**

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 2020 (“Period”) together with the unaudited comparative figures for the corresponding period in 2019, as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2020

	Notes	Six months ended	
		30 September 2020	2019
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	470,597	514,069
Cost of services		(439,373)	(476,942)
Gross profit		31,224	37,127
Other income, gains and losses		3,136	300
Administrative expenses		(5,312)	(5,479)
Impairment losses under expected credit loss model, net of reversal		(213)	(670)
Listing expenses		—	(10,304)
Finance costs		(140)	(125)
Profit before taxation		28,695	20,849
Income tax expense	5	(4,663)	(5,095)
Profit and total comprehensive income for the period attributable to owners of the Company	6	24,032	15,754
Earnings per share			
Basic (HK cents)	8	6.46	4.23

Unaudited Condensed Consolidated Statement of Financial Position

	Notes	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	9	2,182	2,682
Right-of-use assets		165	533
Deferred tax assets		533	407
		2,880	3,622
Current assets			
Trade and other receivables	10	123,188	93,125
Contract assets	11	123,907	117,385
Bank balances and cash		50,808	73,422
		297,903	283,932
Current liabilities			
Trade and other payables	12	75,549	65,298
Tax payable		5,980	3,127
Bank borrowings		3,648	7,945
Contract liabilities		6,972	26,180
Lease liabilities		414	706
		92,563	103,256
Net current assets		205,340	180,676
Total assets less current liabilities		208,220	184,298

	Note	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Non-current liability			
Lease liabilities		129	239
		129	239
Net assets		208,091	184,059
Capital and reserves			
Share capital	13	3,720	3,720
Reserves		204,371	180,339
Total equity		208,091	184,059

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2020

	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Net cash used in operating activities	(17,840)	(45,823)
Investing activities		
Purchases of plant and equipment	(68)	(1,973)
Proceeds from disposal of plant and equipment	72	70
Interest received	61	189
Net cash from (used) in investing activities	65	(1,714)
Financing activities		
Repayments of bank borrowings	(4,297)	(4,136)
Repayments of lease liabilities	(402)	(445)
Interest paid for lease liabilities	(5)	(13)
Interest paid	(135)	(94)
Cash used in financing activities	(4,839)	(4,688)
Net decrease in cash and cash equivalents	(22,614)	(52,225)
Cash and cash equivalents at the beginning of the period	73,422	91,853
Cash and cash equivalents at the end of the period	50,808	39,628

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2020

	Reserves					Total
	Share capital	Share premium	Capital reserve	Other reserve	Retained earnings	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020 (Audited)	3,720	132,532	(48,883)	(3,337)	100,027	184,059
Profit and total comprehensive income for the period	—	—	—	—	24,032	24,032
At 30 September 2020 (Unaudited)	3,720	132,532	(48,883)	(3,337)	124,059	208,091
At 1 April 2019 (Audited)	3,720	132,532	(48,883)	(3,337)	75,528	159,560
Profit and total comprehensive income for the period	—	—	—	—	15,754	15,754
At 30 September 2019 (Unaudited)	3,720	132,532	(48,883)	(3,337)	91,282	175,314

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 of Hong Kong Limited (the “Stock Exchange”) (collectively, “GEM”) with effect from 13 February 2018 (the “GEM Listing”). On 30 December 2019, the listing of the shares of the Company has been transferred from the GEM to the Main Board operated by the Stock Exchange (the “Transfer of Listing”).

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

2. Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. Other additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which become relevant to the Group, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2020.

2. Principal Accounting Policies (Continued)

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the new and amendments to HKFRSs in the current 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 condensed consolidated financial statements.

Accounting policies newly applied by the Group

In addition, the Group has applied the following accounting policies which became relevant to the Group in the current interim period.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income, gains and losses".

3. Revenue

Disaggregation of revenue from contracts with customers

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of services		
Provision of building construction services	42,944	123,480
Provision of RMAA Services	427,653	390,589
Total	470,597	514,069
Timing of revenue recognition		
Over time	470,597	514,069

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 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

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current Tax		
Hong Kong Profits Tax	4,788	4,956
Deferred Tax	(125)	139
	4,663	5,095

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.

6. Profit for the Period

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period is arrived at after (crediting) charging:		
Depreciation of right-of-use assets	368	515
Depreciation of plant and equipment	564	436
Interest income	(61)	(189)
Gain on disposal of plant and equipment	(68)	(70)
Government grants	(1,858)	—

7. Dividends

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

8. Earnings Per Share

	Six months ended	
	30 September	
	2020	2019
	(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 (HK\$'000)	24,032	15,754
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	372,000,000	372,000,000

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

9. Movements in Plant and Equipment

During the Period, the Group acquired items of plant and equipment of HK\$68,200 (six months ended 30 September 2019: HK\$1,973,000). For the six months ended 30 September 2020, the Group disposed of certain items of plant and equipment with carrying amount for cash proceeds of HK\$72,000 (six months ended 30 September 2019: HK\$70,000), result in a gain on disposal of HK\$68,000 (six months ended 30 September 2019: HK\$70,000).

10. 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 periods, net of allowance for credit losses.

	30 September	31 March
	2020	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
1–30 days	64,766	34,464
31–60 days	18,112	24,115
61–90 days	3,955	—
Over 90 days	2,187	2,387
	89,020	60,966
Less: Allowance for credit losses	(1,896)	(1,512)
	87,124	59,454
Other receivables	36,064	33,671
	123,188	93,125

11. Contract Assets

	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Analysed as current:		
Retention receivables of construction contracts (note a)	5,276	3,931
Unbilled revenue of construction contracts (note b)	120,743	115,736
Less: Allowance for credit losses	(2,112)	(2,282)
	123,907	117,385

- (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. The due dates for retention receivables are 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.

12. 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 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
1–30 days	50,393	26,130
31–60 days	2,255	6,112
61–90 days	3,576	1,602
Over 90 days	4,396	15,748
	60,620	49,592
Other payables	14,929	15,706
	75,549	65,298

As at 30 September 2020, all the retention payables were aged within one year (31 March 2020: aged within one year).

13. Share Capital

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2019, 31 March 2020 and 30 September 2020	780,000,000	7,800
Issued and fully paid:		
At 1 April 2019, 31 March 2020 and 30 September 2020	372,000,000	3,720

14. Share Option Scheme

The Company's 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 on 16 December 2019, for the primary purpose of providing incentives to directors and eligible employees. Under the scheme, the directors of the Company 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 2020 annual report dated 17 June 2020.

During the six months ended 30 September 2020, the Group did not granted any share option under the share option scheme of the Company (six months ended 30 September 2019: nil).

15. Financial Instruments

Fair value

The fair value of financial assets and financial liabilities recorded at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the unaudited condensed consolidated financial statements approximate their fair values.

16. Related Party Transactions

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

(i) Transactions

	Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Purchases of materials from:		
Victor Link Trading Limited (note)	134	88

Note: 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 common directors and ultimate controlling parties of Victor Link Trading Limited.

16. Related Party Transactions (Continued)

(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	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	2,036	2,265

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 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 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 uncertainty to construction industry due to the recent outbreak of coronavirus disease (COVID-19) and the availability of construction projects from the public and private sectors in Hong Kong.

Our Group is stay positive about the prospects of the construction market and will continue to focus on our core business.

Financial Review

Revenue

Our revenue decreased from approximately HK\$514.1 million for the six months ended 30 September 2019 to approximately HK\$470.6 million for the six months ended 30 September 2020 (the “Period”). The decrease was mainly attributable to the decrease in revenue derived from building construction services due to the decrease in revenue recognised from project namely, superstructure and external works in relation to construction of two 6-storey columbarium blocks, demolition of staff quarters and road enhancement works, as majority of contract value of such project was recognised as revenue in previous years.

Cost of Services

Our cost of services decreased from approximately HK\$476.9 million for the six months ended 30 September 2019 to approximately HK\$439.4 million for the Period, which is in line with the decrease in revenue for the Period as compared to that for the six months ended 30 September 2019.

Gross Profit

Our gross profit decreased from approximately HK\$37.1 million for the six months ended 30 September 2019 to approximately HK\$31.2 million for the Period. Our gross profit margin decreased from approximately 7.2% for the six months ended 30 September 2019 to approximately 6.6% for the Period. Such decrease was mainly attributable to the decrease in the gross profit margin of building construction services.

Other Income, Gains and Losses

Our other income, gains and losses increased from approximately HK\$0.3 million for the six months ended 30 September 2019 to approximately HK\$3.1 million for the Period. The increase was mainly attributable to the increase in government grants and other subsidies.

Administrative Expenses

Our Group's administrative expenses decreased from approximately HK\$5.5 million for the six months ended 30 September 2019 to approximately HK\$5.3 million for the Period. The decrease was mainly attributable to the decrease in legal and professional fee.

Finance Costs

Our Group's finance costs increased slightly by approximately HK\$15,000 for the Period, which was mainly due to increase in interest on bank borrowings.

Income Tax Expense

The income tax expenses decreased by approximately HK\$0.4 million for the Period. Our effective tax rate was approximately 16.3% for the Period, which was similar to the statutory tax rate of 16.5%.

Profit for the Period

Our Group's net profit increased from approximately HK\$20.8 million for the six months ended 30 September 2019 to approximately HK\$28.7 million for the Period. Such increase was mainly attributable to the non-recurring listing expenses in relation to the Transfer of the Listing incurred during the six months ended 30 September 2019 and partially offset by the decrease 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 2020, the Group had a bank balances and cash of approximately HK\$50.8 million (31 March 2020: approximately HK\$73.4 million). The total interest-bearing borrowings, including bank borrowings and lease liabilities, of the Group as at 30 September 2020 was approximately HK\$4.2 million (31 March 2020: approximately HK\$8.9 million), and the current ratio as at 30 September 2020 was approximately 3.2 (31 March 2020: approximately 2.7).

As at 30 September 2020, bank balances and cash, bank borrowings and lease liabilities were denominated in Hong Kong Dollars.

Gearing Ratio

The gearing ratio of the Group as at 30 September 2020 was approximately 2.0% (31 March 2020: approximately 4.8%). Such decrease was primarily attributable to the decrease in lease liabilities and bank borrowings. 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.

Commitment

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 2020, there is no capital commitment (31 March 2020: HK\$nil).

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 Company’s GEM prospectus dated 30 January 2018 (the “GEM 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 2020, the Group did not hold any significant investment.

Contingent Liabilities

As at 30 September 2020, 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 2020, the Group did not charge any of Group’s assets.

Employees and Remuneration Policies

As at 30 September 2020, the Group had a total of 272 employees (31 March 2020: 304 employees). The Group’s gross staff costs for the Period amounted to approximately HK\$29.2 million (six months ended 30 September 2019: HK\$36.5 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. We provide various types of trainings to our employees and sponsor our employees to attend training courses.

Events After the Reporting Period

There are no material subsequent events undertaken by the Company or by the Group after 30 September 2020.

Use of Proceeds

The final offer price for the GEM Listing was HK\$0.80 per share, and the actual net proceeds from the GEM 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 GEM 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 GEM Prospectus:

	Adjusted use of net proceeds HK\$ million	Planned use of net proceeds from Listing Date to 30 September 2020 HK\$ million	Actual use of net proceeds up to 30 September 2020 HK\$ million
The recruitment and retaining of additional staff	21.2	21.2	21.2
The surety bond	23.7	16.0	15.0
Purchase of machineries and motor vehicles	2.9	2.9	2.9
Working capital	4.0	N/A	4.0
Total	51.8		43.1

The net proceeds are designated for the purposes in accordance with disclosures in the GEM Prospectus. Up to 30 September 2020, the actual use of net proceeds was delayed mainly due to the fact that only two projects awarded required surety bonds to be provided from GEM Listing Date.

The Company intends to continue to apply the unused amount of net proceeds allocated for surety bond of approximately HK\$8.7 million for the same purpose up to year ending 31 March 2021 in accordance with the section headed “Future Plans and Use of Proceeds” of the GEM 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 14 of the 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 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 10 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 report.

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

As at 30 September 2020, 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 13 of Appendix 16 to the 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 2020, 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 13 of Appendix 16 to the Listing Rules.

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

As at 30 September 2020, 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 2020, 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 report.

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 16 December 2019 for Transfer of Listing.

Share Option Scheme

The share option scheme of the Company (the "Share Option Scheme") is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules. The Share Option Scheme was adopted on 23 January 2018, amended and modified by the resolutions of the Board on 16 December 2019. As of the date of this report, 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 with written terms of reference, which revised with 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 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 Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 25 November 2020

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