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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)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**HIGHLIGHTS**

For the year ended 31 March 2021 (the “Year”):

- Revenue of the Group was approximately HK\$951.2 million, increased approximately 2.0% as compared to the corresponding year in 2020.
- Profit attributable to owners of the Company was approximately HK\$34.1 million (2020: approximately HK\$24.5 million).
- The Directors did not recommend the payment of dividend for the Year.

## AUDITED ANNUAL RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the audited results of the Company and its subsidiaries (collectively the “Group”) for the Year, together with the audited comparative figures for the corresponding year in 2020, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2021*

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3	<b>951,249</b>	932,763
Cost of services		<u><b>(890,718)</b></u>	<u>(857,596)</u>
Gross profit		<b>60,531</b>	75,167
Other income, other gains and losses		<b>6,810</b>	870
Impairment losses under expected credit loss model, net of reversal		<b>(3,362)</b>	(1,456)
Administrative expenses		<b>(24,131)</b>	(22,534)
Listing expenses		—	(18,541)
Finance costs		<u><b>(195)</b></u>	<u>(202)</u>
Profit before taxation		<b>39,653</b>	33,304
Income tax expense	4	<u><b>(5,581)</b></u>	<u>(8,805)</u>
Profit and total comprehensive income for the year attributable to owners of the Company		<u><b>34,072</b></u>	<u>24,499</u>
Earnings per share	6		
Basic (HK cents)		<u><b>9.16</b></u>	<u>6.59</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Plant and equipment		1,628	2,682
Right-of-use assets		—	533
Deposits for acquisition of plant and equipment		60	—
Deferred tax assets		<u>1,085</u>	<u>407</u>
		<u>2,773</u>	<u>3,622</u>
Current assets			
Trade and other receivables	7	93,443	93,125
Contract assets	8	135,713	117,385
Tax recoverable		205	—
Bank balances		<u>61,838</u>	<u>73,422</u>
		<u>291,199</u>	<u>283,932</u>
Current liabilities			
Trade and other payables	9	68,463	65,298
Tax payable		—	3,127
Bank borrowings		7,025	7,945
Contract liabilities		121	26,180
Lease liabilities		<u>208</u>	<u>706</u>
		<u>75,817</u>	<u>103,256</u>
Net current assets		<u>215,382</u>	<u>180,676</u>
Total assets less current liability		<u>218,155</u>	<u>184,298</u>
Non-current liabilities			
Lease liabilities		<u>24</u>	<u>239</u>
Net assets		<u>218,131</u>	<u>184,059</u>
Capital and reserves			
Share capital	10	3,720	3,720
Reserves		<u>214,411</u>	<u>180,339</u>
Total equity		<u>218,131</u>	<u>184,059</u>

## NOTES

### 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 have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 13 February 2018. On 30 December 2019, the listing of the shares of the Company has been transferred from the GEM to the Main Board of the Stock Exchange. The addresses of the registered office and principal place of business of the Company are Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Unit 1323A, Level 13, Landmark North, 39 Lung Sum Avenue, Sheung Shui, the New Territories, Hong Kong, respectively.

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 consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### 2.1 Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2020 for the preparation of the 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

Except as described below, the application of the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in this announcement.

#### 2.2 Impacts on application of Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

### 3. REVENUE

#### Disaggregation of revenue from contracts with customers

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Types of services</b>		
Provision of building construction services	98,800	216,779
Provision of RMAA Services	<u>852,449</u>	<u>715,984</u>
Total	<u>951,249</u>	<u>932,763</u>
<b>Timing of revenue recognition</b>		
Over time	<u>951,249</u>	<u>932,763</u>

### 4. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
The income tax expense comprises:		
Hong Kong Profits Tax:		
Current tax	6,259	8,937
Deferred tax	<u>(678)</u>	<u>(132)</u>
	<u>5,581</u>	<u>8,805</u>

Hong Kong Profits Tax of the qualifying group entity is calculated at 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.

### 5. DIVIDENDS

No dividend was declared, proposed or paid for ordinary shareholders of the Company during both years and since the end of the reporting period.

## 6. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<u>34,072</u>	<u>24,499</u>
	2021 <i>'000</i>	2020 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>372,000</u>	<u>372,000</u>

Diluted earnings per share are not presented as there were no potential ordinary shares in issue during both years.

## 7. TRADE AND OTHER RECEIVABLES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1–30 days	31,702	34,464
31–60 days	16,180	24,115
61–90 days	1,311	—
Over 90 days	<u>968</u>	<u>2,387</u>
	50,161	60,966
Less: Allowance for credit losses	<u>(1,541)</u>	<u>(1,512)</u>
	48,620	59,454
Prepayments to subcontractors	38,759	27,605
Other receivables and prepayments	<u>6,064</u>	<u>6,066</u>
	<u>93,443</u>	<u>93,125</u>

## 8. CONTRACT ASSETS

	2021 HK\$'000	2020 HK\$'000
Analysed as current:		
Retention receivables of construction contracts ( <i>note a</i> )	7,738	3,931
Unbilled revenue of construction contracts ( <i>note b</i> )	<u>133,590</u>	<u>115,736</u>
	141,328	119,667
Less: Allowance for credit losses	<u>(5,615)</u>	<u>(2,282)</u>
	<u><u>135,713</u></u>	<u><u>117,385</u></u>

- (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 31 March 2021, the due dates for retention receivables are one to two years (2020: 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.

Contract assets, that are expected to be settled within the Group's normal operating cycle, are classified as current based on expected settlement dates.

## 9. TRADE AND OTHER PAYABLES

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

	2021 HK\$'000	2020 HK\$'000
1–30 days	36,574	26,130
31–60 days	3,122	6,112
61–90 days	3,757	1,602
Over 90 days	<u>12,477</u>	<u>15,748</u>
	55,930	49,592
Retention payables	5,860	8,193
Accruals	<u>6,673</u>	<u>7,513</u>
	<u><u>68,463</u></u>	<u><u>65,298</u></u>

As at 31 March 2021, all the retention payables were aged within one to two years (2020: aged within one to two years).

## 10. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount HK\$'000</b>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2019 and 31 March 2020 and 2021	<u>780,000,000</u>	<u>7,800</u>
Issued and fully paid:		
At 1 April 2019 and 31 March 2020 and 2021	<u>372,000,000</u>	<u>3,720</u>

## **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 columbarium blocks, demolition of staff quarters, road enhancement works and lift tower.

Looking forward, the Directors consider that the future opportunities and challenges which the Group face will be affected by uncertainty to construct 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 increased from approximately HK\$932.8 million for the year ended 31 March 2020 to approximately HK\$951.2 million for the Year. The increase was mainly attributable to the increase in revenue derived from RMAA Services due to increase in value of work certified of projects, namely maintenance and repair work for all aided schools and Hong Kong Government properties at the New Territories east and revamp of public toilet, partially offset by the decrease in value of work certified of projects, namely superstructure and external works in relation to construction of two 6-storey columbarium blocks, demolition of staff quarters and road enhancement works and refurbishment and conversion of a hospital.

#### ***Cost of Services***

Our cost of services increased from approximately HK\$857.6 million for the year ended 31 March 2020 to approximately HK\$890.7 million for the Year. The increase was mainly attributable to increase in cost of services incurred by RMAA Services projects, partially offset by the decrease in cost of services incurred by building construction services projects.

#### ***Gross Profit***

Our gross profit decreased from approximately HK\$75.2 million for the year ended 31 March 2020 to approximately HK\$60.5 million for the Year. Our gross profit margin decreased from approximately 8.1% for the year ended 31 March 2020 to approximately 6.4% for the Year. Such decrease was mainly

attributable to the decrease in the gross profit margin of building construction services as mainly due to completion of project, namely superstructure and external works in relation to construction of two 6-storey columbarium blocks, demolition of staff quarters and road enhancement works.

### ***Other Income, Other Gains and Losses***

Our other income, other gains and losses increased from approximately HK\$0.9 million for the year ended 31 March 2020 to HK\$6.8 million for the Year. The increase was mainly attributable to the increase in government subsidies.

### ***Administrative Expenses***

Our Group's administrative expenses increased from approximately HK\$22.5 million for the year ended 31 March 2020 to approximately HK\$24.1 million for the Year. The increase was mainly attributable to the increase in staff costs including directors' remuneration.

### ***Finance Costs***

Our Group's finance costs was approximately HK\$0.2 million for the Year, which was similar as compared to year ended 31 March 2020.

### ***Income Tax Expenses***

The income tax expenses decreased by approximately HK\$3.2 million for the Year. Our effective tax rate was approximately 16.8% for the Year after excluding the non-taxable income of government subsidies of approximately HK\$6.4 million, which was almost the same as per the effective tax rate of 17% for year ended 31 March 2020 after excluding the non-deductible expense of listing expense of approximately HK\$18.5 million.

### ***Profit for the year***

Our Group's net profit increased from approximately HK\$24.5 million for the year ended 31 March 2020 to approximately HK\$34.1 million for the Year. Such increase was mainly attributable to the increase in other income and gains and losses and decrease in income tax expenses, as explained above.

### ***Dividend***

The Directors do not recommended the payment of a final dividend for the year ended 31 March 2021.

### ***Liquidity and Financial Resources***

The Group maintained a sound financial position during the Year. As at 31 March 2021, the Group had bank balances and cash of approximately HK\$61.8 million (2020: approximately HK\$73.4 million). The total interest-bearing borrowings, including bank borrowings and lease liabilities of the Group as at 31 March 2021 was approximately HK\$7.3 million (2020: approximately HK\$8.9 million), and the current ratio as at 31 March 2021 was approximately 3.8 (2020: approximately 2.7).

### ***Gearing Ratio***

The gearing ratio of the Group as at 31 March 2021 was approximately 3.3% (2020: approximately 4.8%), which decreased as the Group repaid bank borrowings and lease liabilities during the Year. 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 years multiplied by 100%.

### ***Capital Structure***

There has been no change in the capital structure of the Company during the Year. The share capital of the Group only comprises of ordinary shares.

### ***Commitment***

The operating lease commitment of the Group was related to the lease of its office which was recognised as lease liabilities upon the adoption of HKFRS 16 since 1 April 2019.

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 31 March 2021, the amount was approximately HK\$1.7 million (2020: HK\$nil).

### ***Future Plans for Material Investments and Capital Assets***

Save as disclosed in the section headed “Future plans and use of proceeds” of the prospectus dated 30 January 2018 for the listing of our Company shares (“Listing”) on the GEM operated by the Stock Exchange of Hong Kong Limited (“GEM”) (collectively, 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 year ended 31 March 2021, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

### ***Significant Investment***

As at 31 March 2021 and 2020, the Group did not hold any significant investment.

### ***Contingent Liabilities***

As at 31 March 2021 and 2020, the Group did not have material contingent liabilities.

### ***Exposure to Exchange Rate Fluctuation***

The Group’s revenue generating operations are mainly transacted in HK\$. The Directors consider that the impact of foreign exchange exposure to the Group is minimal.

### ***Charge of Group's Assets***

As at 31 March 2021, the Group did not charge any of Group's assets.

### ***Employees and Remuneration Policies***

As at 31 March 2021, the Group had a total of 289 employees (2020: 304 employees). The Group's gross staff costs for the year ended 31 March 2021 amounted to approximately HK\$73.6 million (2020: HK\$84.6 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 year ended 31 March 2021.

### ***Events After the Reporting Period***

There are no material subsequent events undertaken by the Company or by the Group after 31 March 2021.

### ***Use of Proceeds***

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

	<b>Adjusted use of net proceeds <i>HK\$ million</i></b>	<b>Planned use of net proceeds for Listing Date to 31 March 2021 <i>HK\$ million</i></b>	<b>Actual use of net proceeds up to 31 March 2021 <i>HK\$ million</i></b>
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	<u>51.8</u>		<u>43.1</u>

The net proceeds are designated for the purposes in accordance with disclosures in the GEM Prospectus. Up to 31 March 2021, the actual use of net proceeds was delayed mainly due to the fact that only two projects awarded required surety bond to be provided since 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 in accordance with the section headed “Future Plans and Use of Proceeds” of the GEM Prospectus.

### **Closure of Register of Members**

In order to establish entitlements to attend and vote at the forthcoming annual general meeting to be held on Wednesday, 18 August 2021, the register of members of the Company will be closed from 13 August 2021 to 18 August 2021 (both days inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Thursday, 12 August 2021.

### **Corporate Governance Code**

The Company endeavors to adopt prevailing best corporate governance practices. During the Year, the Company had complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix 14 to 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 the Company was not aware of any non-compliance with the Model Code by the Directors since the GEM Listing Date and up to the date of this announcement.

### **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 Year and up to the date of this announcement.

### **SHARE OPTION SCHEME**

The Company conditionally approved and adopted a share option scheme on 23 January 2018 amended and modified by the resolutions of the Board on 16 December 2019 (the “Scheme”). For the principle terms of the Scheme, please refer to “D. Share Option Scheme” in Appendix IV to the listing document dated 19 December 2019. No share option has been granted by the Company under the Scheme since its adoption.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

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 code provision C.3.3 of the Corporate Governance Code. 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 annual results of the Company for the Year 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.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Stock Exchange’s website (<http://www.hkexnews.hk>) and the Company’s website ([www.doublegain.hk](http://www.doublegain.hk)). The annual report of the Company for the Year will be dispatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 22 June 2021

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

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