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**Guru Online (Holdings) Limited**  
**超凡網絡(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8121)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

**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.**

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

## FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 September 2015 amounted to approximately HK\$76.20 million, representing an increase of 11.34% as compared with that of approximately HK\$68.44 million in the corresponding period of 2014.
- Total comprehensive loss attributable to owners of the Company for the six months ended 30 September 2015 amounted to approximately HK\$6.60 million as opposed to the total comprehensive income attributable to owners of the Company of approximately HK\$4.04 million in the corresponding period of 2014. The total comprehensive loss for the six months ended 30 September 2015 is mainly attributable to (i) the recognition of the listing expenses of approximately HK\$7.52 million; (ii) the recognition of share-based payments; (iii) the increase in administrative expenses for continuing listing compliance, including but not limited to legal and professional fees, public relationship expenses and printing charges; (iv) the increase in the Director's emoluments; and (v) the operating loss incurred by a subsidiary established during the three months ended 30 September 2015 whose principal activity was the engagement in an Internet marketing platform for the travel industry.
- If the one-off listing expenses of approximately HK\$7.52 million (2014: approximately HK\$1.06 million) was excluded, total comprehensive income for the six months ended 30 September 2015 attributable to owners of the Company would have been approximately HK\$0.92 million, around 81.96% lower than approximately HK\$5.10 million recorded in the same period in 2014.
- The Board does not recommend payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

## INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 September 2015 together with the unaudited comparative figures for the corresponding period in 2014 as follows:

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

For the three months and six months ended 30 September 2015

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Revenue	4	40,184	34,691	76,200	68,443
Cost of services		(25,260)	(20,733)	(47,720)	(40,066)
Gross profit		14,924	13,958	28,480	28,377
Other income	6	93	163	341	229
Selling expenses		(4,030)	(3,801)	(7,544)	(7,664)
Administrative expenses		(11,513)	(7,523)	(26,839)	(15,756)
Share of profit of associates		153	168	277	242
Finance costs	7	–	–	–	(2)
(Loss) Profit before tax		(373)	2,965	(5,285)	5,426
Income tax expense	8	(1,167)	(683)	(1,440)	(1,418)
(Loss) Profit for the period attributable to owners of the Company	10	(1,540)	2,282	(6,725)	4,008
<b>Other comprehensive income</b>					
<i>Item that will be subsequently reclassified to profit or loss:</i>					
Exchange differences arising on translating foreign operations		102	66	121	33
Total comprehensive (loss) income for the period attributable to owners of the Company		(1,438)	2,348	(6,604)	4,041
(Loss) Earnings per Share					
Basic and diluted (HK\$ cent)	11	(0.09)	0.14	(0.40)	0.24

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September and 31 March 2015*

	<i>NOTES</i>	<b>30 September 2015 (Unaudited) HK\$'000</b>	31 March 2015 (Audited) HK\$'000
<b>Non-current assets</b>			
Plant and equipment	<i>12</i>	<b>5,555</b>	5,169
Intangible assets	<i>13</i>	<b>4,151</b>	3,256
Interests in associates		<b>742</b>	465
Deposit paid		<b>1,444</b>	1,481
		<hr/> <b>11,892</b> <hr/>	<hr/> 10,371 <hr/>
<b>Current assets</b>			
Trade and bills receivables	<i>14</i>	<b>50,389</b>	41,027
Deposits, prepayments and other receivables		<b>10,852</b>	12,178
Amounts due from associates		<b>322</b>	327
Tax recoverable		<b>644</b>	644
Restricted bank balance		<b>50</b>	50
Bank balances and cash		<b>91,741</b>	13,355
		<hr/> <b>153,998</b> <hr/>	<hr/> 67,581 <hr/>
<b>Current liabilities</b>			
Trade and other payables	<i>15</i>	<b>8,562</b>	9,160
Receipts in advance		<b>2,208</b>	3,180
Accrued expenses		<b>3,714</b>	3,959
Income tax payable		<b>1,155</b>	651
Obligation under a finance lease		<b>–</b>	16
		<hr/> <b>15,639</b> <hr/>	<hr/> 16,966 <hr/>
Net current assets		<hr/> <b>138,359</b> <hr/>	<hr/> 50,615 <hr/>
Total assets less current liabilities		<hr/> <b>150,251</b> <hr/>	<hr/> 60,986 <hr/>
<b>Non-current liabilities</b>			
Deferred tax liability		<b>907</b>	906
		<hr/> <b>907</b> <hr/>	<hr/> 906 <hr/>
		<hr/> <b>149,344</b> <hr/>	<hr/> 60,080 <hr/>
<b>Capital and reserves</b>			
Share capital	<i>16</i>	<b>16,672</b>	32
Reserves		<b>132,672</b>	60,048
Total equity		<hr/> <b>149,344</b> <hr/>	<hr/> 60,080 <hr/>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Attributable to owners of the Company					Total (unaudited) HK\$'000
	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Share-based		Retained profits (unaudited) HK\$'000	
			payments reserve (unaudited) HK\$'000	Exchange reserve (unaudited) HK\$'000		
At 1 April 2015	<u>32</u>	<u>46,625</u>	<u>-</u>	<u>(36)</u>	<u>13,459</u>	<u>60,080</u>
Loss for the period	-	-	-	-	(6,725)	(6,725)
Other comprehensive income for the period						
– Exchange differences arising on translating foreign operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>121</u>
Total comprehensive income (expense) for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>121</u>	<u>(6,725)</u>	<u>(6,604)</u>
Issue of shares upon placing	4,672	112,128	-	-	-	116,800
Issuing expenses of placing	-	(9,195)	-	-	-	(9,195)
Capitalization issue of share	12,000	(12,000)	-	-	-	-
Share options granted during the year	-	-	1,267	-	-	1,267
Transfer upon a group reorganisation	(32)	32	-	-	-	-
Dividend paid (Note 9)	<u>-</u>	<u>(13,004)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,004)</u>
At 30 September 2015	<u><u>16,672</u></u>	<u><u>124,586</u></u>	<u><u>1,267</u></u>	<u><u>85</u></u>	<u><u>6,734</u></u>	<u><u>149,344</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

	Attributable to owners of the Company					Total (unaudited) HK\$'000
	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Share-based	Exchange	Retained	
			payments reserve (unaudited) HK\$'000	reserve (unaudited) HK\$'000	profits (unaudited) HK\$'000	
At 1 April 2014	32	46,625	–	(52)	4,341	50,946
Profit for the period	–	–	–	–	4,008	4,008
Other comprehensive income for the period						
– Exchange differences arising on translating foreign operations	–	–	–	33	–	33
Total comprehensive income for the period	–	–	–	33	4,008	4,041
At 30 September 2014	32	46,625	–	(19)	8,349	54,987

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015 and 2014

	Six months ended	
	30 September 2015 (Unaudited) HK\$'000	30 September 2014 (Unaudited) HK\$'000
Net cash (used in) from operating activities	<u>(13,862)</u>	<u>3,166</u>
Net cash (used in) from investing activities	<u>(2,470)</u>	<u>776</u>
Net cash from (used in) financing activities	<u>94,597</u>	<u>(8)</u>
Net increase in cash and cash equivalents	<b>78,265</b>	3,934
Cash and cash equivalents at beginning of the period	<b>13,355</b>	6,962
Effect of foreign exchange rate changes	<u>121</u>	<u>32</u>
Cash and cash equivalents at end of the period	<u><b>91,741</b></u>	<u>10,928</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2015*

### 1. GENERAL

The Company was incorporated on 10 January 2014 in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. Its shares (the “**Shares**”) are listed on GEM of the Stock Exchange on 29 May 2015. The address of the registered office and principal place of business in Hong Kong of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and Level 22, AIA Tower, 183 Electric Road, North Point, Hong Kong, respectively.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are investment holding, provision of digital media services and provision of marketing services.

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Pursuant to the group reorganisation (the “**Reorganisation**”) as described in the section headed “History, Development and Reorganisation – Reorganisation” in the prospectus of the Company dated 22 May 2015 (the “**Prospectus**”), the Company became the holding company of the companies now comprising the Group after the completion of the Reorganisation on 16 May 2015. The companies now comprising the Group have been under the common control of the ultimate controlling shareholders of the Company including Mr. Yip Shek Lun, Ms. Wan Wai Ting, Mr. Ng Chi Fung and Ms. Wang Lai Man, Liza throughout the period or since their respective dates of incorporation/establishment of the relevant Group’s subsidiaries, up to 30 September 2015.

The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2015 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2015 comprises the Company and its subsidiaries.

Other than those subsidiaries of the Company established in the People’s Republic of China (the “**PRC**”) whose functional currency is Renminbi (“**RMB**”), the functional currency of the remaining subsidiaries of the Company is Hong Kong dollars (“**HK\$**”). The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2015 are presented in HK\$, which is the same as the functional currency of the Company.

The measurement basis used in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2015 is the historical cost basis.



The preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2015 in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2015. The application of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years. The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of these new standards, amendments and interpretations will have no material impact on the unaudited condensed consolidated financial statements.

### 4. REVENUE

Revenue represents revenue arising from the provision of digital advertisement placement services, social media management services and creative and technology services. The following is an analysis of the Group's revenue for the three months and six months ended 30 September 2015 and 2014:

	Three months ended		Six months ended	
	30 September 2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	30 September 2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Digital advertisement placement services	14,527	13,696	28,174	26,939
Social media management services	17,508	13,926	32,299	26,773
Creative and technology services	8,149	7,069	15,727	14,731
	<u>40,184</u>	<u>34,691</u>	<u>76,200</u>	<u>68,443</u>

### 5. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Digital advertisement placement services – Provision of advertisement placement services through digital media;
2. Social media management services – Provision of set-up, maintenance and monitor services on corporate profile pages through the social media platforms; and
3. Creative and technology services – Provision of services involving design and copywriting of digital advertisements, production of corporate profile pages, website and apps, and related consultation.

Segment profit represents the gross profit attributable to each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. Segment assets and liabilities are not reported to the Group's CODM regularly.

### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

#### For the six months ended 30 September 2015

	<b>Digital advertisement placement services (unaudited) HK\$'000</b>	<b>Social media management services (unaudited) HK\$'000</b>	<b>Creative and technology services (unaudited) HK\$'000</b>	<b>Total (unaudited) HK\$'000</b>
REVENUE				
External sales and segment revenue	<u>28,174</u>	<u>32,299</u>	<u>15,727</u>	<u>76,200</u>
Segment profit	<u>9,402</u>	<u>11,642</u>	<u>7,436</u>	<u>28,480</u>
Unallocated other income				341
Unallocated selling expenses				(7,544)
Unallocated administrative expenses				(26,839)
Share of profit of associates				277
Unallocated finance costs				<u>–</u>
Loss before tax				<u>(5,285)</u>

For the six months ended 30 September 2014

	Digital advertisement placement services (unaudited) <i>HK\$'000</i>	Social media management services (unaudited) <i>HK\$'000</i>	Creative and technology services (unaudited) <i>HK\$'000</i>	Total (unaudited) <i>HK\$'000</i>
REVENUE				
External sales and segment revenue	<u>26,939</u>	<u>26,773</u>	<u>14,731</u>	<u>68,443</u>
Segment profit	<u>9,159</u>	<u>9,873</u>	<u>9,345</u>	<u>28,377</u>
Unallocated other income				229
Unallocated selling expenses				(7,664)
Unallocated administrative expenses				(15,756)
Share of profit of associates				242
Unallocated finance costs				<u>(2)</u>
Profit before tax				<u>5,426</u>

Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' and chief executive's emoluments, other income, share of profit of associates and finance costs. This is the measure reported to the Board, being the CODM for the purposes of resources allocation and performance assessment.

### Geographic information

The Group's operations are located in Hong Kong (country of domicile) and the PRC.

Based on the Group entities' place of operation, no geographic information for the Group's revenue from external customers has been presented as over 90% of the external revenue is generated from the Group's entities whose offices are located in Hong Kong during the six months ended 30 September 2015 and 2014.

### Information about major customers

No revenue from a customer contributed over 10% of the total revenue of the Group during the six months ended 30 September 2015 and 2014.

## 6. OTHER INCOME

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank interest income	7	2	12	45
Reversal of impairment loss on trade receivables	34	–	211	–
Net foreign exchange gain	–	66	–	66
Sundry income	52	95	118	118
	<u>93</u>	<u>163</u>	<u>341</u>	<u>229</u>

## 7. FINANCE COSTS

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on: Finance lease	–	–	–	2
	<u>–</u>	<u>–</u>	<u>–</u>	<u>2</u>

## 8. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:				
Hong Kong Profit Tax	504	508	504	946
PRC Enterprise Income Tax	730	29	935	270
	<u>1,234</u>	<u>537</u>	<u>1,439</u>	<u>1,216</u>
Deferred tax	(67)	146	1	202
	<u>1,167</u>	<u>683</u>	<u>1,440</u>	<u>1,418</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

Under the law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Company is 25% for both periods.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

## 9. DIVIDENDS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Interim dividend for the year ending 31 March 2016, HK\$0.78 cent per Share (year ended 31 March 2015: Nil)	<b>13,004</b>	–

## 10. (LOSS) PROFIT FOR THE PERIOD

(Loss) Profit for the relevant period has been arrived at after charging:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Directors' and chief executive's emoluments	<b>1,449</b>	852	<b>2,257</b>	1,702
Other staff costs (excluding Directors' and chief executive's emoluments)	<b>13,222</b>	11,039	<b>24,800</b>	22,942
Retirement benefits scheme contributions (excluding Directors' and chief executive's emoluments)	<b>1,394</b>	832	<b>2,322</b>	1,779
Share-based payments	<b>1,267</b>	–	<b>1,267</b>	–
<b>Total staff costs</b>	<b>17,332</b>	12,723	<b>30,646</b>	26,423
Depreciation of plant and equipment	<b>454</b>	384	<b>875</b>	738
Written off of plant and equipment	–	–	–	151
Amortisation of intangible assets (included in cost of services)	<b>214</b>	114	<b>428</b>	228
Professional expenses incurred in connection with the Company's listing	<b>41</b>	528	<b>7,523</b>	1,056
Net foreign exchange loss	<b>105</b>	–	<b>142</b>	–
Operating lease rentals in respect of rented premises	<b>1,535</b>	1,357	<b>2,999</b>	2,883

## 11. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per Share attributable to owners of the Company for the relevant period is based on the following data:

	Three months ended 30 September		Six months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
<b>(Loss) Earnings</b>				
(Loss) Profit for the period attributable to owners of the Company for the purpose of basic (loss) earnings per Share	<u>(1,540)</u>	<u>2,282</u>	<u>(6,725)</u>	<u>4,008</u>
	'000	'000	'000	'000
<b>Number of Shares</b>				
Weighted average number of ordinary Shares for the purpose of basic (loss) earnings per Share	<u>1,667,200</u>	<u>1,667,200</u>	<u>1,667,200</u>	<u>1,667,200</u>

The diluted (loss) earnings per Share is equal to basic (loss) earnings per Share as calculated above as there were no potential dilutive ordinary Shares outstanding for the three and six months ended 30 September 2015 and 2014.

The weighted average number of ordinary Shares in issue during the periods ended 30 September 2015 and 2014 represents 1,667,200,000 ordinary Shares in issue after taking into account the capitalisation issue pursuant to the Reorganisation as stated in note 2 hereof.

## 12. PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group acquired plant and equipment of approximately HK\$1,152,000 (six months ended 30 September 2014: HK\$3,742,000).

## 13. INTANGIBLE ASSETS

During the six months ended 30 September 2015, the Group acquired intangible assets of approximately HK\$1,323,000 (six months ended 30 September 2014: HK\$1,085,000).

#### 14. TRADE AND BILLS RECEIVABLES

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Trade receivables	47,768	40,213
Less: allowance for impairment of trade receivables	<u>(336)</u>	<u>(549)</u>
	47,432	39,664
Bills receivables	<u>2,957</u>	<u>1,363</u>
	<u><b>50,389</b></u>	<u><b>41,027</b></u>

The Group allows an average credit period of 30-60 days to its customers. The Group does not hold any collateral over these receivables.

As at 30 September 2015, included in the Group's trade receivables balances were debts with an aggregate carrying amount of approximately HK\$29,595,000 (31 March 2015: HK\$26,045,000) which were past due as at the reporting date and in respect of which the Group has not provided for impairment loss. Trade receivables that were past due but not impaired were related to a number of customers that have good track records with the Group. Based on past experience, the management of the Company believes that no impairment loss is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The following is an aged analysis of trade receivables, net of allowance for impairment of trade receivables presented based on the due date at the end of the relevant reporting period.

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Current	<u>20,794</u>	<u>14,982</u>
Overdue:		
– Within 60 days	12,537	11,394
– 61-90 days	3,684	1,760
– 91-120 days	3,678	1,692
– Over 120 days	<u>9,696</u>	<u>11,199</u>
	29,595	26,045
	<u><b>50,389</b></u>	<u><b>41,027</b></u>

As at 30 September 2015, included in the impairment loss of trade receivables were individually impaired trade receivables with an aggregate balance of approximately HK\$336,000 (31 March 2015: HK\$549,000). The individually impaired receivables were recognised based on the credit history of the customers and the current market conditions.

## 15. TRADE AND OTHER PAYABLES

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Trade payables	8,293	8,807
Other payables	269	353
	<u>8,562</u>	<u>9,160</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the relevant reporting period.

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
– Within 30 days	3,378	2,019
– 31-60 days	893	2,010
– Over 60 days	4,022	4,778
	<u>8,293</u>	<u>8,807</u>

## 16. SHARE CAPITAL

For the purpose of presenting the share capital of the Group prior to the Reorganisation in the condensed consolidated statement of financial position, the balances as at 31 March 2015 represented the combined share capital of the Company and AdBeyond Holdings Limited. At 31 March 2015, share capital of AdBeyond Holdings Limited amounted to HK\$32,249, which was divided into 20,942 ordinary shares of HK\$1 each and 11,307 preferred shares of HK\$1 each.

	Number of Shares '000	Share Capital HK\$'000
Ordinary Shares of HK\$0.01 each Authorised: At 30 September 2015	<u>10,000,000</u>	<u>100,000</u>
Issued and allotted: At 30 September 2015	<u>1,667,200</u>	<u>16,672</u>



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is one of the leading integrated digital marketing services providers in Hong Kong. The goal of the Group is to become a sizable and influential Internet enterprise and to revamp the traditional industries and enable clients to promote businesses in different areas of the world through the power of the Internet. The Group's current range of integrated digital marketing services includes (i) digital advertisement placement services; (ii) social media management services; and (iii) creative and technology services.

As opposed to providing a single type of digital marketing services to the advertisers, the Group, based on its experience, industry knowledge and understanding of the market, analyse the backgrounds, characteristics, products or services and target audiences of the advertisers and provide integrated digital marketing services which are customised to address its clients' needs. The Group and the Directors considered that there has been no modification of the business objectives or the business plans as stated in the Prospectus.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue from integrated digital marketing business was generated from its: (i) digital advertisement placement services; (ii) social media management services; and (iii) creative and technology services.

For the six months ended 30 September 2015, revenue from social media management services amounted to approximately HK\$32.30 million (2014: approximately HK\$26.77 million), accounting for approximately 42.39% of the Group's total revenue (2014: approximately 39.12%). It is expected to remain as a major source of revenue in the future.

Revenue from digital advertisement placement services during the period amounted to approximately HK\$28.17 million (2014: approximately HK\$26.94 million), representing approximately 36.97% of the Group's total revenue (2014: approximately 39.36%).

During the six months ended 30 September 2015, revenue from creative and technology services amounted to approximately HK\$15.73 million (six months ended 30 September 2014: approximately HK\$14.73 million), accounting for approximately 20.64% of the Group's total revenue (six months ended 30 September 2014: approximately 21.52%).

Total revenue of the Group grew by around 11.34% from approximately HK\$68.44 million for the six months ended 30 September 2014 to approximately HK\$76.20 million for the six months ended 30 September 2015, which was mainly attributable to the rapid growth of the PRC market.

## **Other income**

Other income of the Group increased by approximately 47.83% from approximately HK\$0.23 million for the six months ended 30 September 2014 to approximately HK\$0.34 million for the six months ended 30 September 2015, which was mainly attributable to the reversal of impairment loss on trade receivables recognised for the six months ended 30 September 2015.

## **Selling expenses**

The Group's selling expenses dropped by approximately 1.57% from approximately HK\$7.66 million for the six months ended 30 September 2014 to approximately HK\$7.54 million for the six months ended 30 September 2015. The selling expenses were mainly staff costs, sales commission and marketing-related expenses. The selling expenses was relatively steady.

## **Administrative expenses**

The Group's administrative expenses increased by approximately 70.30% from approximately HK\$15.76 million for the six months ended 30 September 2014 to approximately HK\$26.84 million for the six months ended 30 September 2015. The administrative expenses were mainly rental expenses, utility expenses, building management fees and recruitment-related expenses. The notable increase in administrative expenses was mainly generated from (i) the recognition of the listing expenses of approximately HK\$7.52 million; (ii) the professional fees used in compliance with the GEM Listing Rules and other applicable laws, rules and regulations; (iii) the recognition of the share-based payments; (iv) the increase in the Directors' emoluments; and (v) the operation loss incurred by a subsidiary established during the three months ended 30 September 2015 whose principal activity was the engagement in an internet marketing platform for the travel industry.

## **Income tax expenses**

The income tax expenses increased by approximately 1.41% from approximately HK\$1.42 million for the six months ended 30 September 2014 to approximately HK\$1.44 million for the six months ended 30 September 2015, which was mainly attributable to the increase in taxable profit for the six months ended 30 September 2015.

## **Total Comprehensive loss (income) for the period attributable to owners of the Company**

For the six months ended 30 September 2015, total comprehensive loss for the period attributable to owners of the Company was approximately HK\$6.60 million (six months ended 30 September 2014: total comprehensive income of approximately HK\$4.04 million). If the one-off listing expenses of approximately HK\$7.52 million (2014: approximately HK\$1.06 million) was excluded, total comprehensive income for the six months ended 30 September 2015 attributable to owners of the Company would have been approximately HK\$0.92 million, approximately 81.96% lower than approximately HK\$5.10 million recorded in the same period in 2014.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at 30 September 2015, the Group's current ratio was 9.85, compared to 3.98 as at 31 March 2015. The increase was mainly from the increase of cash in banks boosted by the remaining proceeds from the listing of the Shares on GEM. As at 30 September 2015, the Group's bank balances and cash totalled approximately HK\$91.74 million (31 March 2015: approximately HK\$13.36 million).

During the six months ended 30 September 2015, the Group did not experience any withdrawal of facilities, default in payment of trade and other payables, bank borrowing or breach of financial covenants. As at 30 September 2015, there was no amount due to related parties (31 March 2015: nil). The Group does not have a foreign currency hedging policy. However the management monitors the Group's exposure to foreign currency risk on an ongoing basis and would consider hedging significant foreign currency exposure should it be necessary. The Group's financial position remained solid and it has sufficient bank balances and cash denominated in RMB to meet its foreign exchange liabilities as they become due.

## **CAPITAL STRUCTURE**

On 29 May 2015 (the "**Listing Date**"), the Shares were successfully listed on GEM. Since then and up to 30 September 2015, the Company's capital structure has not changed. The Company's equity only consists of ordinary Shares.

As at 30 September 2015, the Company's issued share capital amounted to HK\$16,672,000 and the number of issued ordinary Shares was 1,667,200,000 of par value of HK\$0.01.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2015, the Group employed 231 full-time employees (31 March 2015: 217). For the six months ended 30 September 2015, staff costs of the Group (including Directors' emoluments) were approximately HK\$30.65 million (six months ended 30 September 2014: approximately HK\$26.42 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the employees. Apart from basic remuneration, share options may be granted under our share option scheme to eligible employees with reference to the Group's performance as well as the individual's contribution to attract and retain eligible employees to contribute to the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the Prospectus, the Group did not have any plans for material investments and capital assets.

## **GEARING RATIO**

As at 30 September 2015, the Group did not have any interest-bearing debt and hence gearing ratio was not applicable. As at 31 March 2015, the Group's gearing ratio was 0.03%, which is calculated based on the Group's total interest-bearing debt of approximately HK\$0.02 million and the Group's total equity of approximately HK\$60.08 million.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During the six months ended 30 September 2015, the Group has established a subsidiary whose principal activity is the engagement in an internet marketing platform for the travel industry (six months ended 30 September 2014: no material acquisitions and disposals).

## **SIGNIFICANT INVESTMENTS HELD**

As at 30 September 2015, the Group did not hold any significant investments (31 March 2015: Nil).

## **CHARGE OF ASSETS**

As at 30 September 2015, the Group has pledged a bank deposit with carrying value of HK\$50,000 (31 March 2015: HK\$50,000) to secure the banking facilities granted to the Group.

## **FOREIGN EXCHANGE EXPOSURE**

As at 30 September 2015, the Group had a portion of its bank deposits denominated in RMB. The Group does not have a foreign currency hedging policy but its management monitors its exposure to foreign currency risk and would consider taking appropriate actions when necessary. The above bank deposits denominated in RMB amounted to approximately HK\$3.36 million (31 March 2015: HK\$3.76 million).

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 30 September 2015 (31 March 2015: Nil).

## **EVENT AFTER THE REPORTING PERIOD**

On 6 October 2015, an extraordinary general meeting (the "EGM") was held for obtaining an approval from independent shareholders of the Company (the "Independent Shareholders") for the granting of share options to Mr. Yip Shek Lun, Ms. Wan Wai Ting and Mr. Ng Chi Fung. All the ordinary resolutions were not passed by the Independent Shareholders by way of poll at the EGM. Details of the poll results of the EGM are set out in the announcement of the Company dated 6 October 2015.

## **INTERIM DIVIDEND**

The Board has recommended and the Company has declared the payment of an interim dividend of HK\$0.78 cent per Share for the year ending 31 March 2016 out of the share premium account of the Company. Save for such interim dividend, the Board does not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: nil).

## **COMPARISON BETWEEN BUSINESS PLAN AND ACTUAL BUSINESS PROGRESS**

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress for the six months ended 30 September 2015.

<b>Business plan as set out in the Prospectus</b>	<b>Progress up to 30 September 2015</b>
Expanding the Group's client base and business operations	<ul style="list-style-type: none"><li>– The Group has allocated more resources to the research and development capabilities and recruited additional staff for provision of social media services.</li></ul>
Strengthening and broadening the Group's existing range of digital marketing services	<ul style="list-style-type: none"><li>– The Group has established a subsidiary whose principal activity is the engagement in an internet marketing platform for the travel industry.</li><li>– The Group has recruited 9 additional staff for the newly established subsidiary.</li></ul>
Pursuing growth through selective mergers and acquisitions	<ul style="list-style-type: none"><li>– The Group has signed a memorandum of understanding to acquire 20% of the entire issued share capital of a company whose principal engaged business is the provision of digital portal and services on part-time and temporary jobs for job seekers and employers.</li><li>– Documentation and due diligence works have been commenced for the above-mentioned acquisition.</li></ul>

## USE OF PROCEEDS

The actual net proceeds from the issue of new Shares of the Company under the placing as set out in the Prospectus were approximately HK\$91.8 million, which was different from the estimated net proceeds of approximately HK\$67.0 million (estimated on the assumption that the placing price would be the midpoint of the stated range as stated in the Prospectus). The Group adjusted the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, and approximately HK\$24.0 million, HK\$25.3 million, HK\$34.2 million and HK\$8.3 million were adjusted for (i) expanding the Group's client base and business operations; (ii) strengthening and broadening the Group's existing range of digital marketing services; (iii) pursuing growth through selective mergers and acquisitions; and (iv) funding of the Group's working capital and general corporate purposes, respectively. During the six months period ended 30 September 2015, the Group has applied the net proceeds as follows:

	<b>Adjusted use of proceeds in the same manner and proportion as stated in Prospectus</b> <i>HK\$ million</i>	<b>Actual usage up to 30 September 2015</b> <i>HK\$ million</i>
Expanding the Group's client base and business operations	24.0	1.3
Strengthening and broadening the Group's existing range of digital marketing services	25.3	1.0
Pursuing growth through selective mergers and acquisitions	34.2	–
Funding of the Group's working capital and general corporate purposes	8.3	–
	<u>91.8</u>	<u>2.3</u>

The unused net proceeds have been placed as interest bearing deposits with licensed bank in Hong Kong.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2015, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### Long positions in the Shares and the underlying Shares of the Company

Name	Nature of interest	Total number of the Shares held	Total number of the underlying Shares held	Total interests	Percentage of shareholding
Mr. Yip Shek Lun (“Mr. Alan Yip”) (Chairman)	Interests held jointly with another person (Note 1)	365,760,000	15,388,096 (Note 4)	381,148,096 (Note 4)	22.86% (Note 4)
	Interest in controlled corporation (Note 2)/ Interest of spouse (Note 3)	249,120,000	14,888,096 (Note 4)	264,008,096 (Note 4)	15.84% (Note 4)
	Beneficial owner	–	83,193,280 (Note 4)	83,193,280 (Note 4)	4.99% (Note 4)
Ms. Wan Wai Ting (“Ms. Karin Wan”)	Interests held jointly with another person (Note 1)	365,760,000	15,388,096 (Note 4)	381,148,096 (Note 4)	22.86% (Note 4)
	Interest in controlled corporation (Note 2)/ Interest of spouse (Note 3)	249,120,000	83,193,280 (Note 4)	332,313,280 (Note 4)	19.93% (Note 4)
	Beneficial owner	–	14,888,096 (Note 4)	14,888,096 (Note 4)	0.90% (Note 4)
Mr. Ng Chi Fung (“Mr. Jeff Ng”)	Interests held jointly with another person (Note 1)	432,000,000	98,581,376 (Note 4)	530,581,376 (Note 4)	31.83% (Note 4)
	Beneficial owner	182,880,000	14,888,096 (Note 4)	197,768,096 (Note 4)	11.86% (Note 4)
Ms. Cheung Laam	Beneficial owner	–	500,000	500,000	0.03%
Ms. Hu Ming	Beneficial owner	–	2,000,000	2,000,000	0.12%

Name	Nature of interest	Total number of the Shares held	Total number of the underlying Shares held	Total interests	Percentage of shareholding
Mr. Tso Ping Cheong, Brian	Beneficial owner	–	500,000	500,000	0.03%
Mr. David Tsoi	Beneficial owner	–	1,000,000	1,000,000	0.06%
Mr. Hong Ming Sang	Beneficial owner	–	500,000	500,000	0.03%
Mr. Lam Tung Leung	Beneficial owner	–	1,000,000	1,000,000	0.06%

*Notes:*

1. Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Wang Lai Man, Liza (“**Ms. Liza Wang**”) are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. By a deed of confirmation and undertaking entered into among Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang dated 2 January 2014 (the “**Acting in Concert Confirmation and Undertaking**”), each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang confirmed that, inter alia, they have exercised their voting rights at the meetings of the shareholders and/or directors of members of the Group in unanimity since 1 April 2011 and have undertaken to continue to do so upon the execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing.
2. These Shares are held by Cooper Global Capital Limited (“**Cooper Global**”), which is owned as to 50.00% by Mr. Alan Yip and 50.00% by Ms. Karin Wan. By virtue of the SFO, Mr. Alan Yip and Ms. Karin Wan are deemed to be interested in the Shares held by Cooper Global.
3. Mr. Alan Yip is the spouse of Ms. Karin Wan. Under the SFO, Mr. Alan Yip is deemed to be interested in all the Shares in which Ms. Karin Wan is interested in. Ms. Karin Wan is the spouse of Mr. Alan Yip. Under the SFO, Ms. Karin Wan is deemed to be interested in all the Shares in which Mr. Alan Yip is interested in.
4. These are in relation to the total number of the Shares to be allotted and issued upon exercise in full of the 83,193,280, 14,888,096, 14,888,096 and 500,000 share options offered to be granted by the Company to Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang, respectively on 13 July 2015 under the share option scheme adopted by the Company on 20 May 2015 (the “**Share Option Scheme**”). Among these share options, the share options offered to be granted to Mr. Alan Yip, Ms. Karin Wan and Mr. Jeff Ng were subject to the approval by the Independent Shareholders at the EGM held on 6 October 2015. At the EGM, the offer for the grant of these share options to Mr. Alan Yip, Ms. Karin Wan and Mr. Jeff Ng were not approved. As a result, the total number of the underlying Shares held by each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang (as well as Mr. Luk Ting Kwan, Jerry (the spouse of Ms. Liza Wang) and Ms. Chen Wing Man (the spouse of Mr. Jeff Ng)) were reduced to 500,000, and the relevant total interests and percentage of shareholding of each of them were reduced accordingly.



Save as disclosed above, as at 30 September 2015, none of the Directors nor chief executive of the Company has registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required 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 which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

So far as the Directors are aware, as at 30 September 2015, the following persons (other than the Directors or chief executive of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

### *Long positions in the Shares and the underlying Shares of the Company*

Name	Nature of interest	Total number of the Shares held	Total number of the underlying Shares held	Total interests	Percentage of shareholding
Cooper Global	Beneficial owner	249,120,000	–	249,120,000	14.94%
Ms. Liza Wang	Interests held jointly with another person ( <i>Note 1</i> )	432,000,000	112,969,472 ( <i>Note 8</i> )	544,969,472 ( <i>Note 8</i> )	32.69% ( <i>Note 8</i> )
	Beneficial owner	182,880,000	500,000 ( <i>Note 8</i> )	183,380,000 ( <i>Note 8</i> )	11.00% ( <i>Note 8</i> )
Mr. Luk Ting Kwan, Jerry	Interest of spouse ( <i>Note 2</i> )	614,880,000	113,469,472 ( <i>Note 8</i> )	728,349,472 ( <i>Note 8</i> )	43.69% ( <i>Note 8</i> )
Huayi Brothers International Investment Ltd. ("Huayi Brothers")	Beneficial owner	248,970,000	–	248,970,000	14.93%
HUAYI BROTHERS INTERNATIONAL LIMITED ("Huayi Brothers International")	Interest in controlled corporation ( <i>Note 3</i> )	248,970,000	–	248,970,000	14.93%

Name	Nature of interest	Total number of the Shares held	Total number of the underlying Shares held	Total interests	Percentage of shareholding
Huayi Brothers Media Corporation (“ <b>Huayi Brothers Media</b> ”)	Interest in controlled corporation ( <i>Note 3</i> )	248,970,000	–	248,970,000	14.93%
HGI GROWTH CAPITAL LIMITED (“ <b>HGI Growth</b> ”)	Beneficial owner	132,720,000	–	132,720,000	7.96%
Mr. Cheung Wing Hon (“ <b>Mr. Patrick Cheung</b> ”)	Interest in controlled corporation ( <i>Note 4</i> )	132,720,000	–	132,720,000	7.96%
Ms. Lo Wai Kei	Interest of spouse ( <i>Note 5</i> )	132,720,000	–	132,720,000	7.96%
Pure Force Investments Limited (“ <b>Pure Force</b> ”)	Beneficial owner	109,930,000	–	109,930,000	6.59%
Mr. Wong Yuet Yeung Harry (“ <b>Mr. Harry Wong</b> ”)	Interest in controlled corporation ( <i>Note 6</i> )	109,930,000	–	109,930,000	6.59%
Ms. Chen Wing Man	Interest of spouse ( <i>Note 7</i> )	614,880,000	113,469,472 ( <i>Note 8</i> )	728,349,472 ( <i>Note 8</i> )	43.69% ( <i>Note 8</i> )

*Notes:*

1. Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. By the Acting in Concert Confirmation and Undertaking, each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang confirmed that, inter alia, they have exercised their voting rights at the meetings of the shareholders and/or directors of members of the Group in unanimity since 1 April 2011 and have undertaken to continue to do so upon the execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing.
2. Mr. Luk Ting Kwan, Jerry is the spouse of Ms. Liza Wang. Under the SFO, Mr. Luk Ting Kwan, Jerry is deemed to be interested in all the Shares in which Ms. Liza Wang is interested in.
3. These Shares are held by Huayi Brothers, which is wholly owned by Huayi Brothers International, which is in turn wholly owned by Huayi Brothers Media. By virtue of the SFO, Huayi Brothers International and Huayi Brothers Media are deemed to be interested in all the Shares held by Huayi Brothers.

4. These Shares are held by HGI Growth, which is wholly owned by Mr. Patrick Cheung. By virtue of the SFO, Mr. Patrick Cheung is deemed to be interested in all the Shares held by HGI Growth.
5. Ms. Lo Wai Kei is the spouse of Mr. Patrick Cheung. Under the SFO, Ms. Lo Wai Kei is deemed to be interested in all the Shares in which Mr. Patrick Cheung is interested in.
6. These Share are held by Pure Force, which is wholly owned by Mr. Harry Wong. By virtue of the SFO, Mr. Harry Wong is deemed to be interested in all the Shares held by Pure Force.
7. Ms. Chen Wing Man is the spouse of Mr. Jeff Ng. Under the SFO, Ms. Chen Wing Man is deemed to be interested in all the Shares in which Mr. Jeff Ng is interested in.
8. These are in relation to the total number of the Shares to be allotted and issued upon exercise in full of the 83,193,280, 14,888,096, 14,888,096 and 500,000 share options offered to be granted by the Company to Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang, respectively on 13 July 2015 under the Share Option Scheme. Among these share options, the share options offered to be granted to Mr. Alan Yip, Ms. Karin Wan and Mr. Jeff Ng were subject to the approval by the Independent Shareholders at the EGM held on 6 October 2015. At the EGM, the offer for the grant of these share options to Mr. Alan Yip, Ms. Karin Wan and Mr. Jeff Ng were not approved. As a result, the total number of the underlying Shares held by each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang (as well as Mr. Luk Ting Kwan, Jerry (the spouse of Ms. Liza Wang) and Ms. Chen Wing Man (the spouse of Mr. Jeff Ng)) were reduced to 500,000, and the relevant total interests and percentage of shareholding of each of them were reduced accordingly.

Save as disclosed above, as at 30 September 2015, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company's Share Option Scheme was adopted on 20 May 2015. The terms of the Share Option Scheme are in accordance with Chapter 23 of the GEM Listing Rules.

On 13 July 2015, the Company made an offer for the grant of 166,487,072 share options under the Share Option Scheme to certain Directors, former Director, employees and consultants of the Company, which entitle such grantees to subscribe for a total of 166,487,072 Shares at an exercise price of HK\$0.63 per Share. The closing price of the Shares on the date on which such share options were granted was HK\$0.63. Among these share options: (i) the grant offer for the to Mr. Alan Yip, Ms. Karin Wan and Mr. Jeff Ng with an aggregate amount of 112,969,472 share options were subject to the approval by the Independent Shareholders at the EGM held on 6 October 2015. At the EGM, the offer for the grant of these share options to Mr. Alan Yip, Ms. Karin Wan and Mr. Jeff Ng were not approved by the Independent Shareholders. Details of the poll results of the EGM are set out in the announcement of the Company dated 6 October 2015; and (ii) a total number of 29,230,000 share options were not accepted by certain grantees (which include Mr. Patrick Cheung, a former non-executive Director of the Company, who has not accepted the offer for the grant of 13,340,000 share options to him).

Details of the share options granted and accepted under the Share Option Scheme (excluding the said 112,969,472 share options offered to be granted to Mr. Alan Yip, Ms. Karin Wan and Mr. Jeff Ng but have not been approved at the EGM and the 29,230,000 share options which have not been accepted by certain grantees as mentioned above) during the six months ended 30 September 2015 and their movements during the period are as follow:

Grantee	Position	Outstanding		Exercise period	Exercise Price per Share HK\$	Granted during the period	Lapsed during the period	Exercised during the period	Outstanding
		as at 1 April 2015	Date of grant						as at 30 September 2015
Ms. Liza Wang	Former Non-executive Director	-	13 Jul 2015	12 Oct 2015 to 11 Apr 2018	0.63	500,000	-	-	500,000
Ms. Cheung Laam	Non-executive Director	-	13 Jul 2015	12 Oct 2015 to 11 Apr 2017	0.63	500,000	-	-	500,000
Ms. Hu Ming	Non-executive Director	-	13 Jul 2015	12 Oct 2015 to 11 Apr 2017	0.63	2,000,000	-	-	2,000,000
Mr. Tso Ping Cheong, Brian	Independent non-executive Director	-	13 Jul 2015	12 Oct 2015 to 11 Apr 2017	0.63	500,000	-	-	500,000
Mr. David Tsoi	Independent non-executive Director	-	13 Jul 2015	12 Oct 2015 to 11 Apr 2017	0.63	1,000,000	-	-	1,000,000
Mr. Hong Ming Sang	Independent non-executive Director	-	13 Jul 2015	12 Oct 2015 to 11 Apr 2017	0.63	500,000	-	-	500,000
Mr. Lam Tung Leung	Independent non-executive Director	-	13 Jul 2015	12 Oct 2015 to 11 Apr 2017	0.63	1,000,000	-	-	1,000,000
Employees and consultants		-	13 Jul 2015	12 Oct 2015 to 11 Apr 2018	0.63	18,287,600	270,000	-	18,017,600
Total						<u>24,287,600</u>	<u>270,000</u>	<u>-</u>	<u>24,017,600</u>

As at 30 September 2015, the outstanding number of share options available for grant under the Share Option Scheme is 142,702,400 share options to subscribe for the Shares, which, if granted and exercised in full, represent approximately 8.56% of the Shares in issue as at the date of this announcement.

## **ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES**

Other than the Share Option Scheme disclosed above, at no time during the period was the Company, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

The Directors are not aware of any business or interest of the Directors nor the Company's controlling shareholders nor any of their respective close associates that competes or may compete with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the period.

## **DEED OF NON-COMPETITION**

The deed of non-competition dated 20 May 2015 has been entered into by Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan, Ms. Liza Wang and Cooper Global in favour of the Company regarding certain competition undertakings given by the controlling shareholders in favour of the Company. The details of the deed of non-competition have been disclosed in the Prospectus.

## **INTERESTS OF COMPLIANCE ADVISER**

As notified by the Company's compliance adviser, CLC International Limited ("**CLC International**"), neither CLC International nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser agreement entered into between the Company and CLC International on 22 May 2015) as at 30 September 2015.

## **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 concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**") as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they have fully complied with the required standard of dealings as set out in the Model Code since the Listing Date and up to 30 September 2015.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

Since the Listing Date and up to 30 September 2015, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board strives to uphold the principles of corporate governance as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules, and adopted various measures to enhance the internal control system, the Directors’ continuous professional development and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create values and achieve maximum return for its shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

Throughout the period since the Listing Date and up to 30 September 2015, the Company has complied with the code provisions, other than Provision A.2.1 of the CG Code.

Provision A.2.1 of the CG Code stipulates that the roles of the chairman and chief executive of the Company should be separate and should not be performed by the same individual. Mr. Alan Yip is the chairman and the chief executive officer of the Company and has been managing the Group’s business and overall strategic planning since its establishment. The Directors believe that the vesting of the roles of chairman and chief executive officer of the Company in Mr. Alan Yip is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group and that the current management has been effective in the development of the Group and the implementation of business strategies under the leadership of Mr. Alan Yip. In allowing the two roles to be vested in the same person, the Group believes both positions require in-depth knowledge and considerable experience of the Group’s business and Mr. Alan Yip is the most suitable person to occupy both positions for effective management of the Group. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by Provision A.2.1 of the CG Code.

## **AUDIT COMMITTEE**

The Company established an audit committee (the “**Audit Committee**”) pursuant to a resolution of the Directors passed on 20 May 2015 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The Audit Committee comprises three members, namely, Mr. Tso Ping Cheong, Brian, Mr. David Tsoi and Mr. Hong Ming Sang, who are independent non-executive Directors. Mr. Tso Ping Cheong, Brian, who has appropriate professional qualifications and experience in accounting matters, is the chairman of the Audit Committee. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor, review the financial information, oversee our financial reporting process, internal control, risk management systems and audit process and perform other duties and responsibilities assigned by the Board.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 30 September 2015 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board  
**Guru Online (Holdings) Limited**  
**Yip Shek Lun**

*Chief Executive Officer, Chairman of the Board and Executive Director*

Hong Kong, 12 November 2015

*As at the date of this announcement, the executive Directors are Mr. Yip Shek Lun, Mr. Ng Chi Fung and Ms. Wan Wai Ting; the non-executive Directors are Ms. Cheung Laam and Ms. Hu Ming, and the independent non-executive Directors are Mr. Tso Ping Cheong, Brian, Mr. David Tsoi, Mr. Hong Ming Sang and Mr. Lam Tung Leung.*

*This announcement will remain on the GEM's website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at [www.guruonline.hk](http://www.guruonline.hk).*