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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

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 year ended 31 March 2016 amounted to approximately HK$160.51 million, representing an increase of 14.42% as compared with that of approximately HK$140.28 million in the corresponding period in 2015.

- During the year ended 31 March 2016, income from PRC-based customers continued to surge by approximately 50.80% and accounted for approximately 25.10% of the Group's total revenue.

- Loss attributable to owner of the Company for the year ended 31 March 2016 amounted to approximately HK$19.50 million as opposed to the profit attributable to owners of the Company of approximately HK$9.12 million in the corresponding period in 2015. The loss was mainly attributable to the increase in administrative expenses of approximately HK$26.24 million during the year primarily due to (i) the recognition of the one-off listing expenses; (ii) the expenses for continuous listing compliance, including but not limited to legal and professional fees, public relationship expenses and printing charges; (iii) the expenses incurred by a subsidiary established during the year ended 31 March 2016 whose principal activity is the engagement in an Internet marketing platform for the travel industry; and (iv) the increase in staff costs during the year ended 31 March 2016.

- The Board does not recommend payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

ANNUAL RESULTS

The board of Directors (the "**Board**") is pleased to announce the audited consolidated annual results of the Group for the year ended 31 March 2016, together with the comparative audited figures for the prior year ended 31 March 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March

	NOTES	2016 HK$'000	2015 HK$'000
Revenue	5	**160,505**	140,278
Cost of services		**(103,747)**	(81,187)
Gross profit		**56,758**	59,091
Other income	6	**611**	444
Selling expenses		**(16,729)**	(14,499)
Administrative expenses		**(59,152)**	(32,913)
Share of profit of associates		**36**	297
Finance costs	7	**(1)**	(3)
(Loss) profit before tax		**(18,477)**	12,417
Income tax expense	8	**(1,025)**	(3,299)
(Loss) profit for the year attributable to owners of the Company	9	**(19,502)**	9,118
Other comprehensive (expense) income			
Item that will be subsequently reclassified to profit or loss:			
Exchange differences arising on translating foreign operations		**(1,288)**	16
Total comprehensive (expense) income for the year attributable to owners of the Company		**(20,790)**	9,134
(Loss) earnings per share			
Basic and diluted (HK$ cent)	10	**(1.17)**	0.55

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	NOTES	2016 HK$'000	2015 HK$'000
Non-current assets			
Plant and equipment		**5,898**	5,169
Intangible assets		**–**	3,256
Interests in associates		**1,052**	465
Deposit paid		**185**	1,481
		7,135	10,371
Current assets			
Trade and bills receivables	*12*	**39,555**	41,027
Deposits, prepayments and other receivables		**9,997**	12,178
Amounts due from associates		**327**	327
Tax recoverable		**2,000**	644
Restricted bank balance		**50**	50
Bank balances and cash	*13*	**94,691**	13,355
		146,620	67,581
Current liabilities			
Trade and other payables	*14*	**7,791**	9,160
Receipts in advance		**2,903**	3,180
Accrued expenses		**4,059**	3,959
Income tax payable		**1,339**	651
Obligation under a finance lease		**–**	16
		16,092	16,966
Net current assets		**130,528**	50,615
Total assets less current liabilities		**137,663**	60,986
Non-current liability			
Deferred tax liability		**–**	906
		137,663	60,080
Capital and reserves			
Share capital		**16,672**	32
Reserves		**120,991**	60,048
Total equity		**137,663**	60,080

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to owners of the Company						
	Share capital	Share premium	Share options reserve	Exchange reserve	Other Reserve (Note (a))	Retained profits (accumulated losses)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2014	32	46,625	–	(52)	–	4,341	50,946
Profit for the year	–	–	–	–	–	9,118	9,118
Other comprehensive income for the year – Exchange differences arising on translating foreign operations	–	–	–	16	–	–	16
Total comprehensive income for the year	–	–	–	16	–	9,118	9,134
At 31 March 2015 and 1 April 2015	32	46,625	–	(36)	–	13,459	60,080
Loss for the year	–	–	–	–	–	(19,502)	(19,502)
Other comprehensive expense for the year – Exchange differences arising on translating foreign operations	–	–	–	(1,288)	–	–	(1,288)
Total comprehensive expense for the year	–	–	–	(1,288)	–	(19,502)	(20,790)
Transfer upon a group reorganisation	(32)	(46,625)	–	–	46,657	–	–
Recognition of equity-settled share-based payment	–	–	3,142	–	–	–	3,142
Share options lapsed	–	–	(196)	–	–	196	–
Issue of shares pursuant to public offering	4,672	112,128	–	–	–	–	116,800
Issue of shares by capitalisation of share premium account	12,000	(12,000)	–	–	–	–	–
Expenses incurred in connection with issue of new shares	–	(8,565)	–	–	–	–	(8,565)
Dividend paid *(Note 11)*	–	(13,004)	–	–	–	–	(13,004)
At 31 March 2016	16,672	78,559	2,946	(1,324)	46,657	(5,847)	137,663

Note (a)

Other reserve represented the difference between the nominal amount of the share capital and share premium of AdBeyond Holdings Limited and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. The addresses of the registered office and principal place of business of the Company are 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, provision of marketing services and the engagement in an Internet marketing platform for the travel industry.

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 consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the group reorganisation (the "**Reorganisation**") of the Company, 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 including Mr. Yip Shek Lun, Ms. Wan Wai Ting, Mr. Ng Chi Fung and Ms. Wang Lai Man, Liza throughout the years ended 31 March 2015 and 2016 or since their respective dates of incorporation or establishment to 31 March 2016, whichever is the shorter period. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements has been prepared on a consolidated basis as if the Company had always been the holding company of the Group by applying the principles of merger accounting with reference to Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA as if the Reorganisation had been completed at the beginning of the year as set out in the accounting policy of the Company.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows including the results and cash flows of companies comprising the Group have been prepared as if the current group structure had been in existence throughout the years ended 31 March 2015 and 2016 or since their respective dates of incorporation or establishment to 31 March 2016, whichever is the shorter period. The consolidated statement of financial position of the Group as at 31 March 2015 have been prepared to present the assets and liabilities of the companies comprising the Group as if the current group structure had been in existence as at 31 March 2015.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations ("Int(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company consider that the application of the amendments to HKFRSs 2010-2012 Cycle has had no material impact in the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The amendments are applied prospectively. The directors of the Company consider that the application of the amendments to HKFRSs 2011-2013 Cycle has had no material impact in the Group's consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKFRS 15	Clarification to HKFRS 15[2]

[1] Effective for annual periods beginning on or after 1 January 2016.
[2] Effective for annual periods beginning on or after 1 January 2018.
[3] Effective date not yet determined.
[4] Effective for annual periods beginning on or after 1 January 2019.

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The directors of the Company have chosen to organise the Group around differences in services. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 March 2016, the Group commenced to engage in a new segment – Internet Marketing Platform for travel industry. Internet Marketing Platform is reportable and separately disclosed as the directors of the Company consider that such information would be useful to users of the consolidated financial statements. 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;

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; and

4. Internet Marketing Platform – Engagement in an internet marketing platform for the travel industry.

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 year ended 31 March 2016

	Digital Advertisement Placement Services *HK$'000*	**Social Media Management Services** *HK$'000*	**Creative and Technology Services** *HK$'000*	**Internet Marketing Platform** *HK$'000*	**Total** *HK$'000*
REVENUE					
External sales and segment revenue	**54,465**	**70,663**	**35,377**	**–**	**160,505**
Segment results	**17,356**	**24,118**	**11,112**	**(4,777)**	**47,809**
Unallocated other income					**338**
Unallocated selling expenses					**(16,726)**
Unallocated administrative expenses					**(49,933)**
Share of profit of associates					**36**
Unallocated finance costs					**(1)**
Loss before tax					**(18,477)**

For the year ended 31 March 2015

	Digital Advertisement Placement Services	Social Media Management Services	Creative and Technology Services	Internet Marketing Platform	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE					
External sales and segment revenue	51,623	58,995	29,660	–	140,278
Segment results	16,977	23,342	16,855	–	57,174
Unallocated other income					325
Unallocated selling expenses					(14,499)
Unallocated administrative expenses					(30,877)
Share of profit of associates					297
Unallocated finance costs					(3)
Profit before tax					12,417

Segment results represents the profit earned by each segment without allocation of central administration costs, selling expenses, directors' and chief executive's emoluments, bank interest income and sundry income, share of profit of associates and finance costs. This is the measure reported to the board of directors of the Company, being the CODM, for the purposes of resources allocation and performance assessment.

Other segment information

For the year ended 31 March 2016	**Digital Advertisement Placement Services**	**Social Media Management Services**	**Creative and Technology Services**	**Internet Marketing Platform**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Amounts included in the measure of segment results:						
Depreciation of property, plant and equipment	**624**	**809**	**405**	**22**	**–**	**1,860**
Amortisation of intangible assets	**–**	**–**	**–**	**–**	**856**	**856**
Impairment loss on trade receivables	**65**	**1,011**	**1,531**	**–**	**–**	**2,607**
Reversal of impairment loss on trade receivables	**(214)**	**(46)**	**(13)**	**–**	**–**	**(273)**
Loss on written off of intangible assets	**–**	**–**	**–**	**–**	**2,400**	**2,400**
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Interest income	**–**	**–**	**–**	**–**	**(56)**	**(56)**
Finance costs	**–**	**–**	**–**	**–**	**1**	**1**
Income tax expense	**–**	**–**	**–**	**–**	**1,025**	**1,025**
Share of profit of associates	**–**	**–**	**–**	**–**	**36**	**36**

For the year ended 31 March 2015	Digital Advertisement Placement Services	Social Media Management Services	Creative and Technology Services	Internet Marketing Platform	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment results:						
Depreciation of property, plant and equipment	612	700	352	–	–	1,664
Amortisation of intangible assets	–	–	–	–	455	455
Impairment loss on trade receivables	119	97	156	–	–	372
Reversal of impairment loss on trade receivables	(88)	(31)	–	–	–	(119)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Interest income	–	–	–	–	(64)	(64)
Finance costs	–	–	–	–	3	3
Income tax expense	–	–	–	–	3,299	3,299
Share of profit of associates	–	–	–	–	297	297

Geographic information

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

The Group's revenue from external customers based on location of customers and information about its non-current assets by geographical location are detailed as below:

	Revenue from external customers		**Non-current assets (excluding deposit paid)**	
	2016	2015	**31/3/2016**	31/3/2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC	**40,282**	26,712	**715**	463
Hong Kong (country of domicile)	**120,223**	113,566	**6,235**	8,427
	160,505	140,278	**6,950**	8,890

Information about major customers

No revenue from a single customer contributed over 10% of the total revenue of the Group during the years ended 31 March 2016 and 2015.

5. REVENUE

Revenue represents revenue arising on 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 year:

	2016	2015
	HK$'000	*HK$'000*
Digital advertisement placement services	**54,465**	51,623
Social media management services	**70,663**	58,995
Creative and technology services	**35,377**	29,660
	160,505	140,278

An analysis of the Group's revenue by segments is set out in note 4.

6. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Bank interest income	**56**	64
Reversal of impairment loss on trade receivables	**273**	119
Sundry income	**282**	261
	611	444

7. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on:		
Bank overdraft	**–**	2
Finance lease	**1**	1
	1	3

8. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**–**	1,985
PRC Enterprise Income Tax	**1,774**	1,000
	1,774	2,985
Under-provision (over-provision) in prior years:		
Hong Kong	**(39)**	–
PRC Enterprise Income Tax	**196**	–
	157	–
Deferred tax	**(906)**	314
	1,025	3,299

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2016 as there was no assessable profit for the year. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended 31 March 2015.

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 is 25% for both years.

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.

The income tax expense for the years can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016	2015
	HK$'000	*HK$'000*
(Loss) profit before tax	**(18,477)**	12,417
Tax at the applicable statutory income tax rate of 16.5% (2015: 16.5%)	**(3,049)**	2,049
Tax effect of expenses not deductible for tax purpose	**3,804**	937
Tax effect of income not taxable for tax purpose	**(7)**	(10)
Tax effect of share of results of associates	**(6)**	(49)
Tax effect of tax losses not recognised	**(130)**	32
Under-provision in prior year	**157**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**256**	340
Income tax expense for the year	**1,025**	3,299

Note:

The domestic tax rate of 16.5% (2015: 16.5%) in the jurisdiction where the operation of the Group is substantially based is used.

9. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Directors' and chief executive's emoluments	**6,606**	3,148
Other staff costs (excluding directors' and chief executive's emoluments)	**61,275**	48,990
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	**2,209**	1,809
Total staff costs	**70,090**	53,947
Auditor's remuneration	**360**	300
Depreciation of plant and equipment	**1,860**	1,664
Amortisation of intangible assets (included in cost of services)	**856**	455
Impairment losses on trade receivables	**2,607**	372
Loss on written off of intangible assets	**2,400**	–
Listing expenses (included in administrative expenses)	**8,276**	4,059
Net foreign exchange loss	**271**	14
Operating lease rentals in respect of rented premises	**6,574**	5,655

10. (LOSS) EARNINGS PER SHARE

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

(Loss) earnings	**2016** ***HK$'000***	2015 *HK$'000*
(Loss) profit for the year attributable to owners of the Company for the purpose of basic (loss) earnings per share	**(19,502)**	9,118

Number of shares	**2016** ***'000***	2015 *'000*
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	**1,667,200**	1,667,200

The weighted average number of ordinary shares in issue during the years ended 31 March 2016 and 2015 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.

The computation of diluted loss per share does not assume the exercise of the Company's share options as the exercise price of those options was higher than the average market price of the Company's shares for the year ended 31 March 2016.

11. DIVIDEND

Dividend recognised as distribution during the year:

	2016 ***HK$'000***	2015 *HK$'000*
2016 Interim – HK0.78 cents (2015: Nil) per share	**13,004**	–

No final dividend was paid or proposed during the years ended 31 March 2016 and 31 March 2015, nor has any final dividend been proposed since the end of the reporting period.

The aggregate amount of interim dividend declared from share premium of the Company and paid during the year amounted to approximately HK$13,004,000 (2015: nil).

12. TRADE AND BILLS RECEIVABLES

	2016 ***HK$'000***	2015 *HK$'000*
Trade receivables	**41,087**	40,213
Less: allowance for impairment of trade receivables	**(2,883)**	(549)
	38,204	39,664
Bills receivables	**1,351**	1,363
	39,555	41,027

The Group allows an average credit period of 30 - 60 days to its customers. The Group does not hold any collateral over these receivables. The following is an aged analysis of trade and bills receivables net of allowance for impairment of trade receivables presented based on the date of rendering services, which approximates the respective revenue recognition dates, at the end of the reporting period. The analysis includes those classified as part of a disposal group held for sale.

	2016	2015
	HK$'000	*HK$'000*
– 0 to 60 days	**11,373**	10,928
– 61 to 90 days	**5,585**	4,939
– Over 90 days	**22,597**	25,160
	39,555	41,027

As at 31 March 2016, included in the Group's trade receivables balances was an aggregate amount of approximately HK$20,107,000 (2015: HK$14,982,000) which has not yet been due according to the contract terms as at the end of the reporting period. Trade receivables that were neither past due nor impaired related to a wide range of customers who did not have any recent history of default.

As at 31 March 2016, included in the Group's trade receivables balances was an aggregate carrying amount of approximately HK$19,448,000 (2015: HK$26,045,000) which was related to debts that were past due as at the reporting date but for which the Group has not provided for impairment loss. Trade receivables that were past due but not impaired related to a number of customers that have good track records with the Group. Based on past experience, the management of the Group believes that no impairment loss is necessary in respect of these balances as there has not been a significant change in credit quality of these customers and the balances are still considered fully recoverable.

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

	2016	2015
	HK$'000	*HK$'000*
Current	**20,107**	14,982
Overdue:		
– within 60 days	**6,464**	11,394
– 61 – 90 days	**3,363**	1,760
– 91 – 120 days	**3,561**	1,692
– Over 120 days	**6,060**	11,199
	19,448	26,045
	39,555	41,027

The movement in the allowance for impairment on trade receivables is set out below:

	2016	2015
	HK$'000	*HK$'000*
At the beginning of the financial year	**549**	508
Impairment loss recognised on trade receivables	**2,607**	372
Amounts written off as uncollectible	**–**	(212)
Impairment losses reversed	**(273)**	(119)
At the end of the financial year	**2,883**	549

As at 31 March 2016, included in the impairment loss of trade receivables are individually impaired trade receivables with an aggregate balance of approximately HK$2,883,000 (2015: HK$549,000). The individually impaired receivables are recognised based on the credit history of its customers and current market conditions.

Included in trade and bills receivables are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2016	2015
	HK$'000	*HK$'000*
USD	**464**	–
RMB	**5,318**	6,857

13. RESTRICTED BANK BALANCE/BANK BALANCES AND CASH

At 31 March 2016, the bank balances and cash of the Group denominated in RMB amounted to approximately HK$6,913,000 (2015: HK$5,405,000). RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 March 2016, the restricted bank balance carried prevailing market interest rate at 1.5% (2015: 1.5% per annum) and represented the deposit for performance guarantee issued by bank to a supplier.

Bank balances carry interest at market rates which range from 0.01% to 0.3% (31 March 2015: 0.01% to 0.3%) per annum.

Included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2016	2015
	HK$'000	*HK$'000*
USD	**4,507**	21
RMB	**2,218**	3,760

14. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**7,481**	8,807
Other payables	**310**	353
	7,791	9,160

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

	2016	2015
	HK$'000	*HK$'000*
Within 30 days	**3,552**	2,019
31 to 60 days	**810**	2,010
Over 60 days	**3,119**	4,778
	7,481	8,807

The trade payables were due according to the terms stated in the relevant contracts. The average credit period on purchase of services is 30 - 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Included in the balances of the trade payables as at 31 March 2016 were aggregate balances of approximately HK$104,000 (2015: HK$177,000) which were payables to the associates of the Group, arising from acquisition of services in general trade credit term.

Included in the trade payables are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

	2016	2015
	HK$'000	*HK$'000*
USD	**1,284**	205
RMB	**126**	1,415

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Group is principally engaged in the provision of integrated digital marketing services in Hong Kong. The Group mainly utilises digital media such as websites, apps, mobile sites and social media platforms to plan and implement marketing strategies and launch marketing campaigns for its customers. The goal of the Group is to become a sizable and influential Internet enterprise and to revamp traditional industries and enable clients to promote business in different areas of the world through the power of the Internet.

Business Review

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.

Our pragmatic and steady development over the years in expanding our range of services has laid a solid foundation for the Group's growth. We have years of professional and extensive experience in Internet digital marketing, industry-specific expertise and understanding of the market. These accumulated experiences enable us to process and analyse data about the backgrounds, characteristics of products or services and target audiences of the advertisers, thereby providing us with a significant advantage in the development of digital marketing businesses.

During the year ended 31 March 2016 (the "**Year**"), our integrated digital marketing business has steadily grown as clients have been willing to promote their brands, products and services by investing more resources in digital marketing platforms. As opposed to providing a single type of digital marketing services to the advertisers, we, based on our experience, industry knowledge and understanding of the market, analyse the background, characteristics, products or services and target audiences of the advertisers and provide integrated digital marketing services customised to address our clients' specific needs.

The Group has continued to steadfastly expand its presence in the PRC market. The revenue attributed to our PRC-based clients has increased by approximately 50.80% during the Year, demonstrating good business growth momentum of the PRC market and strong development potential. As our operations expand into the PRC, we are planning to accelerate our development pace in the PRC market to suit our clients' needs in the Nanjing and Jiangsu regions by establishing a branch office in Nanjing.

Financial Review

Revenue

Our revenue from integrated digital marketing business was generated from our: (i) digital advertisement placement services; (ii) social media management services; and (iii) creative and technology services.

During the Year, the revenue generated from social media management services amounted to approximately HK$70.66 million (2015: approximately HK$59.00 million), accounting for around 44.03% of our total revenue (2015: around 42.06%). It is expected to remain as a major source of revenue in the future.

Revenue generated from digital advertisement placement services for the Year amounted to approximately HK$54.47 million (2015: approximately HK$51.62 million), representing around 33.93% of our total revenue (2015: around 36.80%). During the Year, revenue from creative and technology services amounted to approximately HK$35.38 million (2015: approximately HK$29.66 million), accounting for around 22.04% of our total revenue (2015: around 21.14%).

Total revenue of the Group grew by around 14.42% from approximately HK$140.28 million for the year ended 31 March 2015 to approximately HK$160.51 million for the year ended 31 March 2016, which was mainly attributable to the rapid growth of the PRC market.

Other Income

Other income of the Group increased by around 38.64% from approximately HK$0.44 million for the year ended 31 March 2015 to approximately HK$0.61 million for the year ended 31 March 2016, which was mainly attributable to a sundry income and a reversal of impairment loss on trade receivables.

Selling Expenses

Staff Costs

Our staff costs mainly comprise the salaries and performance bonus payable to the Directors, service teams, executives and staff of the Group, as well as payments to the Mandatory Provident Fund Scheme.

For the two years ended 31 March 2015 and 2016, our staff costs under selling expenses amounted to approximately HK$8.92 million and HK$7.36 million, representing around 6.36% and 4.59% of our revenue, respectively.

Sales Commission

For the two years ended 31 March 2015 and 2016, our sales commission amounted to approximately HK$3.58 million and HK$5.51 million, representing around 2.55% and 3.43% of our revenue, respectively.

Marketing-related Expenses

For the two years ended 31 March 2015 and 2016, our marketing-related expenses amounted to approximately HK$1.99 million and HK$1.32 million, representing around 1.42% and 0.82% of our revenue, respectively.

Administrative Expenses

The Group's administrative expenses increased by around 79.73% from approximately HK$32.91 million for the year ended 31 March 2015 to approximately HK$59.15 million for the year ended 31 March 2016. The administrative expenses were mainly rental expenses, utility expenses, building management fees, recruitment-related expenses and professional fees. The notable increase in administrative expenses was mainly due to (i) the recognition of the one-off listing expenses; (ii) the expenses for continuous listing compliance, including but not limited to legal and professional fees, public relationship expenses and printing charges; (iii) the expenses incurred by a subsidiary established during the Year whose principal activity is the engagement in an Internet marketing platform for the travel industry and (iv) the increase in staff costs during the Year.

Finance Costs

The Group's finance costs decreased by around 66.67% from approximately HK$3,000 for the year ended 31 March 2015 to approximately HK$1,000 for the year ended 31 March 2016. This item comprises interest charges on a financial lease and bank charges.

Listing Expenses

For the two years ended 31 March 2015 and 2016, the Group recorded one-off listing expenses of approximately HK$4.06 million and HK$8.28 million, respectively.

Income Tax Expense

Our income tax expense decreased by around 68.79% from approximately HK$3.30 million for the year ended 31 March 2015 to approximately HK$1.03 million for the year ended 31 March 2016, which was mainly attributable to the decrease in taxable profit for the year ended 31 March 2016.

Loss for the Year Attributable to Owners of the Company

For the year ended 31 March 2016, loss attributable to owners of the Company was approximately HK$19.50 million, as compared to approximately HK$9.12 million of profit attributable to owners of the Company for the year ended 31 March 2015. If the one-off listing expenses of approximately HK$8.28 million (2015: HK$4.06 million) was excluded, loss for the year ended 31 March 2016 attributable to owners of the Company would have been approximately HK$11.22 million (2015: profit of approximately HK$13.18 million).

Liquidity and Capital Resources

As at 31 March 2016, the Group's current ratio was 9.11, compared to 3.98 as at 31 March 2015, which is mainly due to the increase of cash in banks boosted by the unutilised proceeds from the placing of shares of the Company (the "**Shares**"). As at 31 March 2016, the Group's bank balances and cash totalled approximately HK$94.69 million (2015: HK$13.36 million).

The total interest-bearing loans and borrowings (interest-bearing bank borrowings and bank overdrafts) of the Group as at 31 March 2016 were nil (2015: approximately HK$0.02 million).

During the Year, 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 31 March 2016, there was no amount due to related parties (2015: Nil). The Group does not have a foreign currency hedging policy. However we monitor our exposure to foreign currency risk on an ongoing basis and would consider hedging against significant foreign currency exposure should it be necessary. The Group's financial position remained solid and we have sufficient bank balances and cash denominated in RMB to meet our foreign exchange liabilities as they become due.

Capital Structure

On 29 May 2015, our Shares were successfully listed on GEM of the Stock Exchange. Since then, the Group's capital structure has not changed. Our equity consists only of ordinary shares. On the date of this announcement, the Company's issued share capital amounted to HK$16,672,000 and the number of issued ordinary shares is 1,667,200,000 with a par value of HK$0.01. Our contract commitments mainly involve leases of office properties. As at 31 March 2016, the value of the Group's operating leases was approximately HK$7.72 million (2015: approximately HK$12.01 million).

Future Plans for Material Investments or Capital Assets

As at 31 March 2016, the Group did not have any significant capital commitments (2015: Nil). Save for the business plan disclosed in the prospectus of the Company dated 22 May 2015 (the "**Prospectus**") or otherwise disclosed in this announcement, the Group did not have any future plans for material investments or capital assets as at 31 March 2016.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Year, the Group has established a subsidiary whose principal activity is the engagement in an Internet marketing platform for the travel industry and has acquired as associate whose principal activity is the provision of digital portal and services on part-time and temporary jobs for job seekers and employers (2015: no internal acquisitions and disposals).

Significant Investment Held

Except for investments in subsidiaries and associates, the Group did not hold any significant investments during the years ended 31 March 2016 and 2015, respectively.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 March 2016 (2015: Nil).

Charge of Assets

As at 31 March 2016, the Group has pledged a bank deposit with a carrying value of approximately HK$50,000 (2015: approximately HK$50,000) to secure the banking facilities granted to the Group.

Save as disclosed above, the Group did not have any charges on its assets as at 31 March 2016.

Foreign Exchange Exposure

As at 31 March 2016, the Group had a portion of its bank deposits denominated in RMB. The Group does not have a foreign currency hedging policy but the management monitors the Group's exposure to foreign currency risk and would consider taking appropriate actions when necessary. The above-mentioned bank deposits denominated in RMB amounted to approximately HK$2.22 million (2015: approximately HK$3.76 million).

Gearing Ratio

As at 31 March 2016, 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.

Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

Treasury Policies

The Group has adopted a conservative approach towards its treasury policies. The credit risk facing the Group is primarily attributable to trade receivables, rental deposits, amounts due from associates, pledged bank deposits and bank balances. In order to minimise the credit risk, the management of the Group regularly reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Through these actions, the Directors considered that the Group's credit risk on trade debts has been significantly reduced. Our concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for approximately 78% and 75% of the total trade receivables as at 31 March 2016 and 2015, respectively.

Amounts due from associates of the Company are continuously monitored by assessing the creditworthiness of the counterparties, taking into account their financial position, payment history and other factors. Where necessary, an impairment loss is made for estimated irrecoverable amounts. The credit risk on bank balances and held-to-maturity investments is limited because the counterparties were banks with high credit ratings assigned by international credit-ratings agencies. Save and except for the pledged bank deposit mentioned above, none of the Group's financial assets were secured by collateral or other credit enhancements.

Financial Key Performance Indicators

For the year ended 31 March 2016, the Group's total revenue increased by 14.42% to approximately HK$160.51 million (2015: approximately HK$140.28 million). Loss attributable to owners of the Company was approximately HK$19.50 million (2015: profit of approximately HK$9.12 million). Loss per share attributable to owners of the Company for the Year was approximately HK1.17 cents (2015: earning per share of approximately HK0.55 cents).

The significant increase in loss was mainly attributable to the increase in administrative expenses of approximately HK$26.24 million primarily due to (i) the recognition of the one-off listing expenses; (ii) the expenses for continuous listing compliance, including but not limited to legal and professional fees, public relationship expenses and printing charges; (iii) the expenses incurred by a subsidiary established during the Year whose principal activity is the engagement in an Internet marketing platform for the travel industry; and (iv) the increase in staff costs during the year.

As at 31 March 2016, the current ratio was approximately 9.11 (2015: approximately 3.98). The Group did not have any interest-bearing debt and hence gearing ratio was not applicable as at 31 March 2016 (2015: 0.03%). The Group's financial position remained solid.

Employees and Remuneration Policies

As at 31 March 2016, the Group employed 258 full-time employees (2015: 217). For the year ended 31 March 2016, staff costs of the Group (including Directors' emoluments) were approximately HK$70.09 million (2015: approximately HK$53.95 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the employees aiming at attracting and retaining eligible employees to contribute to the Group. Apart from basic remuneration, share options may be granted under the share option scheme of the Company to eligible employees by reference to the Group's performance as well as the individual's contribution.

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the year ended 31 March 2016 is set out below:

Business objectives as stated in the Prospectus	Business strategies up to 31 March 2016 as stated in the Prospectus	Actual business progress up to 31 March 2016
Continue to expand the Group's client base and business operations	Expand sales and proposal team by approximately eight additional staff at the Hong Kong office to improve the level of support and attention provided to each of the existing and potential client so as to enhance the Group's capability of providing innovative digital marketing strategies, maintaining the relationship with clients and expand the client base	The Group has expanded the sales and proposal team by two additional staff at the Hong Kong office during the Year.
	Expand service teams by approximately seven additional staff at the Hong Kong and Guangzhou offices to maintain the quality of services and expand the Group's capacity to capitalize on the growing demand in the market	The Group has expanded the service teams by six and four additional staff at the Hong Kong office and Guangzhou office, respectively during the Year.
	Provide enhanced customer relationship-related training programmes to staff members	The Group has provided weekly customer relationship-related training programmes to staff members.

Business objectives as stated in the Prospectus	**Business strategies up to 31 March 2016 as stated in the Prospectus**	**Actual business progress up to 31 March 2016**
Strengthen and broaden the Group's existing range of digital marketing services	Research and expand existing range of digital marketing services and perform beta and pilot tests Identify market needs, research on comparable and new technologies through conducting market research Recruit approximately 12 additional technical staff Secure cooperation arrangements with popular websites, apps and mobile sites capable of reaching an existing mass audience inside or outside the PRC, such as PRC-based video sharing websites, apps and mobile sites, or emerging websites, apps and mobile sites with potential popularity among the target audience	The Group has established a subsidiary whose principal activity is the engagement in an Internet marketing platform for the travel industry during the Year The Group has recruited 20 additional staff for the newly established subsidiary.
Pursue growth through selective mergers and acquisitions	Documentation and due diligence works Review the backgrounds and financials of the potential acquisition targets primarily based in the Greater China region Acquire companies with functional-expertise, industry-expertise or regional client-expertise primarily based in the PRC	The Group has acquired an associate whose principal activity is the provision of digital portal and services on part-time and temporary jobs for job seekers and employers during the Year.

Use of Proceeds

The actual net proceeds from the Listing 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 our client base and business operations; (ii) strengthening and broadening our existing range of digital marketing services; (iii) pursuing growth through selective mergers and acquisitions; and (iv) funding of our working capital and general corporate purposes. During the Year, the Group has applied the net proceeds as follows:

	Adjusted use of proceeds in the same manner and proportion as stated in Prospectus up to 31 March 2016	**Actual usage up to 31 March 2016**
	HK$ million	*HK$ million*
Expanding our client base and business operations	4.0	3.40
Strengthening and broadening our existing range of digital marketing services	5.1	4.78
Pursuing growth through selective mergers and acquisitions	9.2	0.55
	18.3	8.73

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

Actual use of proceeds on pursuing growth through selective mergers and acquisition was significantly lower than the planned use of proceeds because the Group is still exploring suitable acquisition targets.

Principal Risks and Uncertainties

The Group's key risk and uncertainty are summarised as follows:

(i) The Group's ongoing operations and growth could be affected if it fails to attract, recruit or retain key personnel including the executive Directors, senior management and key employees;

(ii) The Group rely on a sole supplier, Viral Digital Studio Limited ("**VDS**") in the provision of online monitoring services, and any disruption in the provision of services from VDS or the Group's inability to identify alternative service providers may affect the Group's business operations and financial results;

(iii) The Group's clients may delay in settlement of its bills, which may result in material adverse impact on the Group's business, financial conditions and results of operations;

(iv) The Group's reputation, brand name and business could be adversely affected by instances of misconduct by third parties, including the Group's partner websites, apps, mobile sites, service providers and advertising agencies, all of whom being independent entities and hence the Group does not have direct control on these third parties in relation to the contents shown on their websites, app and mobile sites or their activities;

(v) The Group's business and financial performance may be adversely affected and the business sustainability may also be adversely affected if the Group are unable to secure engagements from clients through the tendering process.

For other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus.

Environmental Policies and Performance

The Directors believe that the digital marketing service industry in which the Group operates its integrated digital marketing business is not a major source of environmental pollution, and the impact of the Group's operations on the environment is minimal.

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources, the Group strives to minimise the environmental impact by saving electricity and encouraging recycle of office supplies and other materials.

During the Year, the Group is not subject to any major environmental claims, lawsuits, penalties or disciplinary actions.

Compliance with Relevant Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong and the PRC while the Company itself is an investment holding company listed on GEM of the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong and the PRC. During the Year and up to the date of this report, the Group has complied with all the relevant laws and regulations in Hong Kong and the PRC in all material respects for the business operations of the Group.

Key Relationships with Employees, Customers and Suppliers

The Directors are of view that employees, customers and suppliers are the keys to the sustainable development of the Group. The Directors believe that the Group maintains good working relations with its employees and suppliers and there has not been any labour strike within the Group during the Year, and it endeavours to improve the quality of services to the customers.

Employees are regarded as the most important and valuable assets of the Group. The Group provides various types of trainings and interest groups to its employees, which include (i) conducting weekly in-house market and company updates and development seminars; (ii) providing weekly customer relationship-related training programmes; (iii) subsidising its staff for pursuing further studies in related fields; and (iv) organising several interest groups for encouraging work-life balance.

The Group also stays connected with its customers and suppliers and has ongoing communication with its customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

Outlook and Prospects

2015 has marked a major milestone in our development history. Our Shares were listed on GEM of the Stock Exchange on 29 May 2015. The capital raised from the Listing has laid a solid foundation for the Group's future development. The rapid proliferation of the Internet and the advance of the technology industry has enabled customers to enhance their competitiveness through digital marketing. Capitalising on the Group's experience and expertise in digital marketing and market knowledge accumulated over the years, our teams can conduct comprehensive analysis and management of high volume of data, thus helping our clients to stay ahead of the fast-changing market. We believe that the income generated from the digital marketing business will continue to steadily increase.

In light of the rapidly emerging digital tourism market, the Group has expanded its team last year. A new travel platform is to be launched in order to satisfy the needs for a variety of Internet services for the travel industry. The Group has been closely observing the development of online business startups with the aim to select appropriate investment projects with strong potential to generate promising returns in the long run. At the same time, the Group is also searching for other acquisition or investment opportunities that can create synergies with our current businesses and add value to the Group. As the Group has no long term liabilities, these investments are to be funded by our cash reserves.

In December 2015, the Company announced the appointment of Mr. Wang Zhong Lei as a non-executive Director. Mr. Wang is a co-founder and the general manager of Huayi Brothers Media Corporation, a substaintial shareholder of the Company, and has years of management experience in marketing. Together with his extensive business network in the PRC, we believe Mr. Wang can provide valuable advices to the Group in the area of business development and contribute to creating strategic advantages for the Group.

Looking ahead, the Group will strive to further expand its market share, enhance its core competitiveness, capture the opportunities presented by the Internet and new economy, as well as to bring better returns for our shareholders.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS

The Company has adopted a code of conduct regarding securities transactions by 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 29 May 2015 (the "**Listing Date**") and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the Year.

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 higher 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.

For the year ended 31 March 2016, the Company has complied with the code provisions, other than Provision A.2.1, A.6.7 and E.1.2 of the CG Code.

Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yip Shek Lun ("**Mr. Alan Yip**") is the chairman of the Board 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 of the Board and chief executive officer 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 of the Board and chief executive officer as required by Provision A.2.1 of the CG Code.

Provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Cheung Laam, Ms. Wang Lai Man, Liza, Ms. Hu Ming, Mr. Hong Ming Sang and Mr. Lam Tung Leung, all being the then non-executive Directors (including independent non-executive Directors), did not attend the Company's annual general meeting held on 6 August 2015 due to their other unexpected business engagement.

Under Provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company, and the chairman of the board committees and failing whom, another member of the relevant committee should be available to answer questions thereat. Due to prior business engagement, the respective chairman of the remuneration and nomination committee, were not able to attend the annual general meeting of the Company held on 6 August 2015 in person, but they have already delegated to one of the executive Directors to answer questions on their behalf.

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 written terms of reference of our Audit Committee was adopted in compliance with Provisions C3.3 and C3.7 of the CG Code.

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 audited annual results of the Group for the year ended 31 March 2016 have been reviewed by the Audit Committee.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

EVENS AFTER THE REPORTING PERIOD

No significant events occurring subsequent to 31 March 2016 and up to the date of this announcement.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "**AGM**") will be held on Thursday, 4 August 2016. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by the GEM Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 August 2016 to Thursday, 4 August 2016, both days inclusive, for the purpose of determining the entitlement of the members of the Company to attend and vote at the AGM. No transfer of shares can be registered during the said period. In order to be qualified to attend and vote at the AGM, all completed share transfer form 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 1 August 2016.

By Order of the Board
Guru Online (Holdings) Limited
Yip Shek Lun
Chairman of the Board, Chief Executive Officer
and Executive Director

Hong Kong, 22 June 2016

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 Mr. Wang Zhong Lei, and the independent non-executive Directors are Mr. Tso Ping Cheong, Brian, Mr. David Tsoi, Mr. Hong Ming Sang and Mr. Lam Tung Leung.

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