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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)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus dated 22 May 2015 (the “**Prospectus**”) relating to the placing and listing of the shares of Guru Online (Holdings) Limited (the “**Company**”) on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited on 29 May 2015 (the “**Placing**”). The board of directors (the “**Board**”) would like to announce that the Company has decided to change the allocation of the use of proceeds from the Placing in the manner set out in this announcement. Unless otherwise defined herein, terms in this announcement shall have the same meaning as defined in the Prospectus.

USE OF PROCEEDS

The net proceeds from the Placing (the “**Net Proceeds**”), after taking into account the exercise of the Offer Size Adjustment Option and after deducting underwriting commission and other estimated expenses, were approximately HK\$91.8 million. The amount was higher than the estimated Net Proceeds of approximately HK\$67.0 million as disclosed in the Prospectus, which was based on the Placing Price of HK\$0.23 per Placing Share, being the mid-point of the indicative Placing Price range and did not take into account any exercise of the Offer Size Adjustment Option.

In the light of the difference between the actual and estimated amount of the Net Proceeds, the Group has adjusted the use of Net Proceeds in the same manner and in the same proportion as shown in the Prospectus, and as a result, approximately HK\$24.0 million, HK\$25.3 million, HK\$34.2 million and HK\$8.3 million, representing approximately 26.1%, 27.6%, 37.3% and 9.0%, respectively, of the actual Net Proceeds, 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.

For details of the above adjustment, please refer to the clarification announcement of the Company dated 8 July 2016.

Up to the date of this announcement, the amount of the Net Proceeds which has remained unutilised amounted to approximately HK\$57.1 million.

CHANGE IN USE OF PROCEEDS

The Board has resolved to change the proposed use of the Net Proceeds (the “**Change**”). Set out below are details of the original allocation of the Net Proceeds (after the adjustment as mentioned above), the utilised amount of the Net Proceeds as at the date of this announcement, the original allocation and revised allocation of the unutilised Net Proceeds:

	Original allocation of Net Proceeds <i>HK\$ million</i>	Utilised amount (as at the date of this announcement) <i>HK\$ million</i>	Original allocation of unutilised amount (before the Change) <i>HK\$ million</i>	Revised allocation of unutilised amount (after the Change) <i>HK\$ million</i>
Expanding our client base and business operations	24.0	12.1	11.9	14.3
Strengthening and broadening our existing range of digital marketing services	25.3	13.2	12.1	14.8
Pursuing growth through selective mergers and acquisitions	34.2	1.1	33.1	–
Working capital and general corporate purposes	<u>8.3</u>	<u>8.3</u>	<u>–</u>	<u>28.0</u>
	<u><u>91.8</u></u>	<u><u>34.7</u></u>	<u><u>57.1</u></u>	<u><u>57.1</u></u>

REASONS FOR THE CHANGE

The Company originally planned to use 37.3% of the Net Proceeds, which amounted to approximately HK\$34.2 million for pursuing growth through selective mergers and acquisitions and has utilised approximately HK\$1.1 million as of the date of this announcement for such purpose. Actual use of proceeds on pursuing growth through selective mergers and acquisition was significantly lower than the planned use of proceeds because the Company is still exploring suitable acquisition targets. The Board expects that suitable acquisition targets would unlikely be found in the near future.

In the meantime, the Company strikes to expand its presence in the PRC market. It has established a subsidiary in Nanjing in August 2016 to serve the needs of customers there and in nearby regions, as well as to help speeding up overall development of its business in the PRC market. In the light of our current strategy of expanding the business operation and broadening the existing range of digital marketing services in the PRC market, the Board considers that the increase in allocation of the Net

Proceeds for (i) expanding our client base and business operations; and (ii) strengthening and broadening our existing range of digital marketing services would enable the Company to better utilise its resources and facilitate the development of the Company in the long run.

On the other hand, the Group was involved in several new projects during the year ended 31 March 2017 to broaden our digital marketing services. It requires time for the projects' funding to be eventually in place and the Board expects the credit period for purchase of services to be shorter in 2017. Hence, the Board is of the view that the Group requires additional working capital for its operations in order to continue promoting the development of our businesses.

In the circumstances, the Board has decided to change the original allocation of the Net Proceeds and reallocate the unutilised Net Proceeds as described above.

The Board (including the independent non-executive Directors) considers that the above change in the use of proceeds from the Placing will facilitate more efficient use of the financial resources of the Company and strengthen the future development of the Company and is in the interests of the Company and its Shareholders as a whole.

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

Hong Kong, 6 July 2017

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.

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

This announcement will remain on GEM's website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.guruonline.hk.