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 Report 2015

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This report, 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 the GEM of the Stock Exchange (the "GEM Listing Rules") 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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yip Shek Lun
(Chairman and Chief Executive Officer)
Mr. Ng Chi Fung
Ms. Wan Wai Ting

Non-Executive Directors

Ms. Wang Lai Man, Liza
Mr. Cheung Wing Hon
Ms. Cheung Laam
Ms. Hu Ming

Independent Non-Executive Directors

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung

AUTHORISED REPRESENTATIVES

Mr. Yip Shek Lun
Mr. Tsui Siu Hung, Raymond *(FCCA, FCPA)*

COMPLIANCE OFFICER

Mr. Ng Chi Fung

COMPANY SECRETARY

Mr. Tsui Siu Hung, Raymond *(FCCA, FCPA)*

AUDIT COMMITTEE

Mr. Tso Ping Cheong, Brian *(Chairman)*
Mr. David Tsoi
Mr. Hong Ming Sang

REMUNERATION COMMITTEE

Mr. Hong Ming Sang *(Chairman)*
Mr. Yip Shek Lun
Mr. Lam Tung Leung

NOMINATION COMMITTEE

Mr. Lam Tung Leung *(Chairman)*
Mr. Yip Shek Lun
Mr. Tso Ping Cheong, Brian

REGISTERED OFFICE

Clifton House
75 Fort Street, PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 22
AIA Tower
183 Electric Road, North Point
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street, PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong law:

ONC Lawyers
Solicitors, Hong Kong
19th Floor
Three Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:

Jun He Law Offices
PRC attorneys-at-law
20th Floor, China Resources Building
8 Jianguomenbei Avenue
Beijing
PRC

As to Cayman Islands law:

Appleby
Cayman Islands attorneys-at-law
2206-19 Jardine House
1 Connaught Place
Central
Hong Kong

AUDITOR

SHINEWING (HK) CPA Limited
Certified Public Accountants
43rd Floor, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

COMPLIANCE ADVISER

CLC International Limited
A corporation licensed under the Securities and Futures Ordinance and permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities (as defined in the Securities and Futures Ordinance)
4703A-04, Two Exchange Square
8 Connaught Place
Hong Kong

STOCK CODE

8121

COMPANY'S WEBSITE ADDRESS

www.guruonline.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board ("**Board**") of directors (the "**Directors**" and each a "**Director**"), I am pleased to present the annual report of Guru Online (Holdings) Limited (the "**Company**") and its subsidiaries (collectively referred to "**Guru Online**" or the "**Group**") for the year ended 31 March 2015.

The year of 2015 is strategically significant to the Group. The successful listing of Guru Online on the Growth Enterprise Market (the "**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 29 May 2015, just about eight years after its inception in 2007, represents an important milestone in the development of the Group. The capital raised from the placement of the shares of the Company (the "**Shares**") on GEM will be used to drive the future development of Guru Online and the Group has started formulating plans in a bid to capture the huge development potential of the digital marketing service industry.

The Group is one of the leading integrated digital marketing service 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 business to different areas of the world through the power of Internet. The Group has set up offices in Hong Kong, Guangzhou and Beijing and during the year, the Group has expanded its Guangzhou office. The extended physical presence has provided greater scope for our development, enabling us to better keep abreast of the market's pulse and needs in China.

During the year under review, the development of the Group's business has grown rapidly in China. The Group's income from its China-based customers has surged by 55.85% and accounted for 19.04% of the Group's total revenue. Though we have been developing business in China for just about four years, the Group's business there has generated astonishing growth. With more and more customers realising the benefits of online marketing, we believe that the development of the online marketing business in both Hong Kong and China will maintain steady growth.

In March this year, Premier Li Keqiang of China cited the need to formulate an "Internet+" national strategy to capture new opportunities via the use of Internet. The strong government support policy and the increasing reliance of Hong Kong and Mainland users on the Internet have created potentially lucrative growth opportunities for Internet-related industries. Guru Online has accumulated considerable experience in the Internet field through its track record in the information analysis. The Group is now actively exploring and evaluating acquisition or investment opportunities which can enhance its value so as to address the growing demand of the market and create new engines of growth for the future.

Last but not least, on behalf of the Board and the management of the Group, I wish to express our heartfelt appreciation to all staff for their dedicated efforts over the years. I also wish to extend our sincere gratitude to all our shareholders, investors, customers, suppliers and business partners for their constant support.

Yip Shek Lun
Chief Executive Officer, Chairman of the Board and Executive Director

24 June 2015

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

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 business in different areas of the world through the power of the Internet.

Established in 2007, the Group currently operates in Hong Kong and Mainland China. Our clients include renowned and respected brands across different industries, NGOs and public bodies. The Group has supported our clients to promote their events through a variety of Internet activities such as website, applications, mobile websites and social media platforms, and we also provide additional Internet-related services.

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 for 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, which enable us to process and analyze the backgrounds, characteristics of products or services and target audiences of the advertisers and offer us significant advantage in the development of digital marketing businesses.

During the year under review, the digital marketing segment has grown steadily as clients have preferred to promote their brands, products and services in a cost-effective way. 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 backgrounds, characteristics, products or services and target audiences of the advertisers and provide integrated digital marketing services which are customised to address our clients' needs.

The Group has continued to expand its presence in the PRC market, and the revenue attributed to our PRC-based clients increased by 55.85% from 31 March 2014 to the corresponding date in 2015, demonstrating the strong potential and demand of the PRC market. As our operations expanded into the PRC, we had been engaged by press bureau, tourism promotion centre and sporting event organising committee of several provincial capital cities in the PRC in relation to the promotion of tourism or international sporting events.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

For the year ended 31 March 2015, revenue from social media management services amounted to approximately HK$59.00 million (2014: approximately HK$47.20 million), accounting for around 42.06% of our total revenue (2014: around 41.92%). It is expected to remain as a major source of revenue in the future.

Revenue from digital advertisement placement services during the year amounted to approximately HK$51.62 million (2014: approximately HK$39.97 million), representing around 36.80% of our total revenue (2014: around 35.50%). During the year, revenue from creative and technology services amounted to approximately HK$29.66 million (2014: approximately HK$25.42 million), accounting for around 21.14% of our total revenue (2014: around 22.58%).

Total revenue of the Group grew around 24.59% from approximately HK$112.59 million for the year ended 31 March 2014 to approximately HK$140.28 million for the year ended 31 March 2015, which was mainly attributable to the rapid growth of the PRC market.

Other income

Other income of the Group increased by around 33.33% from approximately HK$0.33 million for the year ended 31 March 2014 to approximately HK$0.44 million for the year ended 31 March 2015, which was mainly attributable to exchange gain and interest income from bank deposits.

SELLING EXPENSES

Staff costs

Staff costs mainly comprise the salaries and performance bonus payable to directors, service teams, executives and staff, as well as MPF contribution. For the two years ended 31 March 2014 and 2015, our staff costs represented around 6.62% and 6.36% of our revenues respectively.

Sales commission

For the two years ended 31 March 2014 and 2015, our sales commission amounted to approximately HK$3.44 million and HK$3.58 million, representing around 3.06% and 2.55% of our revenue respectively.

Marketing-related expenses

For the two years ended 31 March 2014 and 2015, our marketing-related expenses amounted to approximately HK$2.32 million and HK$1.99 million, representing around 2.06% and 1.42% of our revenue respectively.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by around 15.96% from approximately HK$28.38 million for the year ended 31 March 2014 to approximately HK$32.91 million for the year ended 31 March 2015. Our 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 the professional fees used in compliance with the GEM Listing Rules and other applicable laws, rules and regulations.

FINANCE COSTS

The Group's finance costs increased by around 50.00% from approximately HK$2,000 for the year ended 31 March 2014 to approximately HK$3,000 for the year ended 31 March 2015. This item comprises interest charges on a financial lease and bank charges.

LISTING EXPENSES

For the two years ended 31 March 2014 and 2015, the Group recorded one-off listing expenses of approximately HK$5.15 million and HK$4.06 million respectively.

INCOME TAX EXPENSE

Our income tax expense increased by around 31.47% from approximately HK$2.51 million for the year ended 31 March 2014 to approximately HK$3.30 million for the year ended 31 March 2015, which was mainly attributable to the increase in taxable profit for the year ended 31 March 2015.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY AND TOTAL COMPREHENSIVE INCOME

For the year ended 31 March 2015, profit for the year attributable to owners of the Company and total comprehensive income was approximately HK$9.13 million. Excluding the one-off listing expenses of approximately HK$4.06 million (2014: approximately HK$5.15 million), profit for the year ended 31 March 2015 attributable to owners of the Company would have been approximately HK$13.19 million, around 36.12% higher than approximately HK$9.69 million recorded in the same period in 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2015, the Group's current ratio was 3.98, compared to 4.07 as at 31 March 2014, which remained steady. As at 31 March 2015, the Group's bank balances and cash totalled approximately HK$13.36 million (2014: approximately HK$6.96 million).

During the year ended 31 March 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 31 March 2015, there was no amount due to related parties (2014: 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 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 listed successfully on GEM. Since then, the Group's capital structure has not changed. Our equity only consists of ordinary shares.

On the date of this report, the Group'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.

COMMITMENT

Our contract commitments mainly involve leases of office properties. As at 31 March 2015, the Group's operating leases were approximately HK$12.01 million (2014: approximately HK$18.05 million).

As at 31 March 2015, the Group did not have any significant capital commitments (2014: approximately HK$1.55 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed above and in the prospectus of the Company dated 22 May 2015 (the "**Prospectus**"), the Group did not have any plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 March 2015, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2015, the Group did not hold any significant investments.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2015 (2014: Nil).

CHARGE OF ASSETS

As at 31 March 2015, the Group has pledged a bank deposit with carrying value of HK$50,000 (2014: HK$50,000) to secure the banking facilities granted to the Group.

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2015, we had a portion of our bank deposits denominated in RMB. The Group does not have a foreign currency hedging policy but the management monitors our exposure to foreign currency risk and would consider taking appropriate actions when necessary. The above bank deposits denominated in RMB amounted to approximately HK$3.76 million (2014: HK$1.80 million).

GEARING RATIO

As at 31 March 2015, the Group has gearing ratio (combined net borrowings/total equity) of 0.03% compared to that of 0.04% as at 31 March 2014.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: HK$13.80 million paid by AdBeyond (Group) Limited).

TREASURY POLICIES

The Group has adopted a conservative approach towards treasury policies. The credit risk facing the Group is primarily attributable to trade receivables, rental deposits, amounts due from related parties and 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 75.00% and 70.00% of the total trade receivables as at 31 March 2015 and 31 March 2014.

Amounts due from associates/related companies/shareholders, (the "**Shareholders**", and each a "**Shareholder**") of the Company are continuously monitored by assessing the credit worthiness 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 are limited because the counterparties were banks with high credit ratings assigned by international credit-ratings agencies. None of the Group's financial assets were secured by collateral or other credit enhancements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group employed 217 full-time employees (2014: 222). For the year ended 31 March 2015, staff costs of the Group (including Directors' emoluments) were approximately HK$53.95 million (2014: approximately HK$44.95 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the employees to attract and retain eligible employees to contribute to the Group. Apart from basic remuneration, share options may be granted under our share option scheme to eligible employees by reference to the Group's performance as well as individual's contribution.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Since the shares of the Company listed on GEM of the Stock Exchange on 29 May 2015 and up to the date of this report, we have not started implementing our business plans to accomplish our business objectives.

Save as disclosed in this report, there are no significant events subsequent to 31 March 2015 which would materially affect the Group's operating and financial performance as of the date of combined financial statements.

USE OF PROCEEDS

Net proceeds from the listing on 29 May 2015 were approximately HK$91.80 million after deducting related expenses, based on the placing price of HK$0.25 per placing share. In line with the future plans and the proceeds as set out in the Prospectus, the Group plans to allocate the net proceeds for the purposes as outlined below.

Purposes	Approximate Percentage of the Total Net Proceeds
Continue to expand client base and business operations	26.1%
Strengthen and broaden existing range of digital marketing services	27.6%
Pursue growth through selective mergers and acquisitions	37.3%
Used as working capital and other general corporate purposes	9.0%

As at the date of this report, the Group has not yet utilised the net proceeds of approximately HK$91.80 million in accordance with the intended use of proceeds as set out in the Prospectus.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS

The Group was listed on the GEM on 29 May 2015 (the "**Listing Date**"). The proceeds from the listing are to be utilised to lay a sound foundation for future development of the Group.

With the popularity of the Internet in the PRC and Hong Kong, the increasing number of mobile devices and volume of online shopping transactions, the spending of customers in the integrated digital marketing area is expected to rise. The Group intends to continue to expand its client base and business operations, and strengthen and broaden the range of its digital marketing services. Based on our extensive experience in professional Internet digital marketing, knowledge of the industry and market insights, our team is capable of efficiently conducting analysis and managing data applications to meet our clients' business objectives. Thus the Group believes the income from its integrated digital marketing business will continue to increase.

In addition, in view of tremendous new development opportunities presented with the adoption of the digital marketing services, the Group is now actively exploring and evaluating acquisition or investment opportunities which can strengthen its presence and enhance its value so as to address the growing demand of the market. Riding on the Group's Internet experience as well as its information analysis and capabilities, we believe that the implementation of the Group's strategy can enable us to grasp the related opportunities and create new engines of our growth for the future.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yip Shek Lun (葉碩麟), aged 33, is our chief executive officer, chairman of the Board and executive Director. Mr. Yip is one of the founders of the Group. Mr. Yip is primarily responsible for the day-to-day management of the Group, formulating overall business development strategies and overseeing the PRC operations of the Group. He is a member of the remuneration committee and nomination committee. Mr. Yip is the spouse of Ms. Wan Wai Ting.

Mr. Yip graduated from The Chinese University of Hong Kong in Hong Kong, with a degree of bachelor of business administration in December 2004. From July 2004 to April 2006, Mr. Yip was the assistant account manager of Procter & Gamble Hong Kong Ltd, a consumer goods company. From May 2006 to April 2007, he worked as the marketing manager of La Souhait Cosmetic Limited, the principal business of which is the trading of cosmetic products, and was later appointed as its marketing director serving the Greater China region.

Mr. Yip is also a director of AdBeyond Holdings Limited ("**AdBeyond BVI**") and AdBeyond (Group) Limited ("**AdBeyond HK**") and the executive director of 廣州超帆信息科技有限公司 (Adbeyond (Group) Limited) ("**AdBeyond GZ**") and 北京超凡高睿科技有限公司 (Beijing AdBeyond Gao Rui Technology Company Limited) ("**AdBeyond BJ**"), respectively. In addition, Mr. Yip is a director of Cooper Global Capital Limited ("**Cooper Global**") which is one of our controlling shareholders.

Mr. Ng Chi Fung (伍致豐), aged 32, is our executive Director. Mr. Ng is also one of the founders of the Group. Mr. Ng is primarily responsible for the overall business administration, sales and marketing and management of the Group.

Mr. Ng graduated from The Wharton School of Finance and Commerce at the University of Pennsylvania in the United States, with a degree of bachelor of science in economics majoring in finance and accounting in May 2004. Mr. Ng has successfully completed all three levels of the CFA Program organised by the CFA Institute in June 2006. From August 2004 to December 2005, Mr. Ng worked in McKinsey & Company, a management consulting firm, as a business analyst. In June 2005, Mr. Ng founded a health care company, Home of the Elderly Consultancy Limited, which specialises in providing elderly home referral services to the elderly and their families and has been acting as its chairman and non-executive director since then. Since May 2012, Mr. Ng has been a non-executive director of AMOS Enterprises Limited, a technology company which focuses on providing and developing innovative solutions on electrical, electronic and information technology. Mr. Ng is the 2014 president of Junior Chamber International Peninsula (Hong Kong), an international organisation for young professionals and entrepreneurs which aims to foster youngsters' leadership skills, social responsibility, enhance international friendship and the building of business network. Mr. Ng is a screening committee member of Hong Kong Business Angel Network, a non-profit organisation with the mission to foster angel investment in Hong Kong.

Mr. Ng is also a director of AdBeyond BVI, AdBeyond HK, iMinds Interactive Holdings Limited ("**iMinds BVI**") and iMinds Interactive Limited ("**iMinds HK**"), respectively.

Ms. Wan Wai Ting (尹瑋婷), aged 32, is our executive Director. Ms. Wan is also one of the founders of the Group. Ms. Wan is also the chief creative director of AdBeyond HK. She is responsible for supervising our PRC business development and projects. Ms. Wan is the spouse of Mr. Yip Shek Lun.

Ms. Wan obtained her degree of bachelor of business administration from The Chinese University of Hong Kong in Hong Kong, in December 2004. From December 2004 to October 2006, she worked as the marketing executive of AOM Sun Ltd, the sole agent of CITIZEN electronic products, where she was responsible for liaising with advertising agencies, organising promotional activities and analysing marketing strategies.

Ms. Wan led the Group in winning several awards throughout the markets in Asia-Pacific and Hong Kong, such as the Marketing Magazine's Marketing Events Award (Singapore) 2014 and the Marketing Magazine's Mobile Excellence Awards (Hong Kong) 2013. Ms. Wan was also a columnist of Hong Kong Economic Journal and iMoney Magazine in 2009 and 2010 under the pen name "韋小婷" (literally translated as "Wai Siu Ting"), respectively.

Ms. Wan is also a director of AdBeyond BVI and AdBeyond HK and the supervisor of AdBeyond GZ and AdBeyond BJ, respectively. In addition, Ms. Wan is a director of Cooper Global which is one of our controlling shareholders.

NON-EXECUTIVE DIRECTORS

Ms. Wang Lai Man, Liza (王麗文), aged 33, is our non-executive Director. Ms. Wang is also one of the founders of the Group. Ms. Wang is primarily responsible for the corporate relations and business development of the Group.

Ms. Wang attended the Education Abroad Program at the University of California, Berkeley in the United States, in Fall 2003 and graduated from The Chinese University of Hong Kong in Hong Kong, with a degree of bachelor of business administration in December 2005. She was a finalist in the Copenhagen Business School Case Competition in 2005. From May 2005 to May 2007, Ms. Wang worked in Procter & Gamble Hong Kong Ltd., a consumer goods company, with the last position as assistant brand manager in marketing department.

Ms. Wang is also a director of AdBeyond BVI and AdBeyond HK, respectively.

Mr. Cheung Wing Hon (張永漢), aged 37, joined the Group in November 2012 and was appointed as our non-executive Director on 6 February 2014. Mr. Cheung is the brother of Ms. Cheung Laam.

Mr. Cheung graduated from The Chinese University of Hong Kong in Hong Kong, with a degree of bachelor of business administration in December 1999.

Mr. Cheung has extensive experience in the advertising industry and ran the advertising business through entities such as Hua Kuang Advertising (China) Company Limited (華光廣告(中國)有限公司) ("**Hua Kuang**") from December 2001 to September 2010 and, currently, 北京傳智互動國際廣告有限公司上海辦事處 (Beijing Chuanzhi Interactive International Advertising Company Limited Shanghai Office). Mr. Cheung had been the chief executive officer of 上海傳智華光廣告有限公司 (Shanghai OOH Advertising Co. Ltd.), an out-of-home media service provider, from January 2003 to May 2009.

Mr. Cheung is also a venture capitalist. He has been the chairman of the board of HGI Capital Holdings Limited since its establishment in September 2009, which engages in private equity and venture capital investments and has networks in various industries such as Internet services, e-commerce, media and mobile Internet in the PRC.

Mr. Cheung is currently a director of HGI GROWTH CAPITAL LIMITED ("**HGI Growth**"). He is also a director of AdBeyond BVI and AdBeyond HK, respectively.

Ms. Cheung Laam (張嵐), aged 40, was appointed as our non-executive Director on 6 February 2014. Ms. Cheung Laam is the sister of Mr. Cheung Wing Hon.

Ms. Cheung attended The College Economics of The University of Chicago in the United States, and graduated with a degree of bachelor of arts in June 1996. Since December 2010, Ms. Cheung has been the executive director of 諾心食品(上海)有限公司 (Nouxin Food and Production Co. Ltd.), the principal business of which is bakery.

Ms. Cheung is also a director of AdBeyond BVI and AdBeyond HK, respectively.

Ms. Hu Ming (胡明), aged 44, joined the Group in November 2012 and was appointed as our non-executive Director on 6 February 2014.

Ms. Hu obtained a master of business management certificate from 對外經濟貿易大學 (University of International Business and Economics) in the PRC, in June 1995. Ms. Hu obtained the board secretary certificate from the Shenzhen Stock Exchange in March 2008. From April 2006 to January 2008, Ms. Hu worked as the chief financial officer of 華誼兄弟傳媒有限公司 (Huayi Brothers Media Company Limited) (the predecessor of Huayi Brothers Media Corporation ("**Huayi Brothers Media**")).

Since January 2008, Ms. Hu has been a director, deputy general manager and from January 2008 to August 2014, Ms. Hu has served as the board secretary of Huayi Brothers Media, the ultimate holding company of Huayi Brothers International Investment Ltd, one of the substantial shareholders of the Company, which is a film production company founded in the PRC with its shares listed on the Shenzhen Stock Exchange (stock code: 300027).

Ms. Hu is also a director of AdBeyond BVI and AdBeyond HK, respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Ping Cheong, Brian (曹炳昌), aged 35, was appointed as our independent non-executive Director on 28 May 2014. He is the chairman of the audit committee and a member of the nomination committee.

Mr. Tso graduated from The Hong Kong Polytechnic University in Hong Kong, with a degree of bachelor of arts in accountancy in November 2003 and a degree of master of corporate governance in October 2013. Mr. Tso has over 10 years of accounting and financial experience. From September 2003 to July 2007 and August 2007 to November 2008, Mr. Tso worked at Ernst & Young Hong Kong office and Ernst & Young Shenzhen office, a multinational accounting firm, respectively, with the last position as manager. From December 2008 to May 2010, Mr. Tso was the financial controller of Greenheart Group Limited (formerly known as Omnicorp Limited), a company listed on the Stock Exchange (stock code: 94). From May 2010 to August 2012, Mr. Tso was the senior vice president of Maxdo Project Management Company Limited, a project management company. Since January 2013, Mr. Tso has been the sole proprietor of Teton CPA Company, a certified public accountants firm. Mr. Tso had served as a non-executive director of Kong Shum Union Property Management Limited (stock code: 8181) from July 2014 to February 2015. Mr. Tso has been appointed as an independent non-executive director of each of GreaterChina Professional Services Limited (stock code: 8193) since July 2014, Larry Jewelry International Company Limited (formerly known as Eternite International Company Limited) (stock code: 8351) since October 2014, and Newtree Group Holdings Limited (stock code: 1323) since February 2015. Mr. Tso has also been appointed as the company secretary of China Infrastructure Investment Limited (stock code: 600) since March 2015. Mr. Tso was admitted in September 2008 and is currently a practising member of the HKICPA. Mr. Tso was also admitted in October 2006 and is currently a fellow member of The Association of Chartered Certified Accountants. In January 2014, Mr. Tso was elected as an Associate of The Institute of Chartered Secretaries and Administrators and was also admitted as a member of The Hong Kong Institute of Chartered Secretaries.

Mr. David Tsoi (蔡大維), aged 68, was appointed as our independent non-executive Director on 28 May 2014. He is a member of the audit committee.

Mr. Tsoi obtained a master's degree in business administration from the University of East Asia, Macau (currently known as University of Macau) in the Macau Special Administrative Region of the PRC, in October 1986. Mr. Tsoi currently practises as managing director of Alliott, Tsoi CPA Limited, a certified public accountants firm. He was first admitted as a member of the HKICPA and advanced to fellowship in December 1981 and October 1989, respectively, and is currently a fellow of the HKICPA. Mr. Tsoi was first admitted as a fellow member in October 1986 and is currently a member of the Taxation Institute of Hong Kong. Mr. Tsoi was admitted as a member in 1992 and is currently a member of the Canadian Certified General Accountants Association of Hong Kong. Mr. Tsoi was admitted as a member of the Association of Chartered Certified Accountants in September 1981, advanced to fellowship status in September 1986, and is currently a member in good standing. Mr. Tsoi was admitted as a fellow of CPA Australia in November 2009 and is currently a fellow of CPA Australia.

Mr. Tsoi had served as an independent non-executive director of CSR Corporation Limited (stock code: 1766) from March 2008 to June 2014. Mr. Tsoi is currently an independent non-executive director of the following companies listed on the Stock Exchange: Enviro Energy International Holdings Limited (stock code: 1102), MelcoLot Ltd. (stock code: 8198) and Universal Technologies Holdings Limited (stock code: 1026).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Hong Ming Sang (項明生), aged 45, was appointed as our independent non-executive Director on 28 May 2014. He is a member of the audit committee and the chairman of the remuneration committee.

Mr. Hong graduated from The University of Hong Kong in Hong Kong, with a degree of bachelor of arts in December 1992. He obtained a diploma in marketing and international business from The Chinese University of Hong Kong in Hong Kong, in October 1997. In June 2007, Mr. Hong co-founded Asia HD Association Limited, a non-profit making organisation on the promotion of high-definition technology development in Hong Kong, and has been one of its directors since then. From September 2011 to November 2013, Mr. Hong was one of the directors of Sony Computer Entertainment Hong Kong Limited, a video game company.

Mr. Lam Tung Leung (林棟樑), aged 30, was appointed as our independent non-executive Director on 28 May 2014. He is a member of the remuneration committee and the chairman of the nomination committee.

Mr. Lam graduated from Oxford Brookes University in the United Kingdom, with a degree of bachelor of arts in law with accounting in June 2006. He subsequently obtained a postgraduate certificate in laws from The University of Hong Kong in Hong Kong, in August 2007. Mr. Lam was admitted to practice law as a solicitor in Hong Kong in January 2010 and has been a member of The Law Society of Hong Kong since then. Mr. Lam has been practising as a solicitor in Hong Kong for over four years and is currently working as an associate with emphasis on corporate finance practice at Boughton Peterson Yang Anderson in association with Zhong Lun Law Firm, a law firm in Hong Kong.

SENIOR MANAGEMENT

Mr. Wong Yuet Fu, Alfred (黃越富), aged 30, joined the Group in October 2011 as chief accountant of AdBeyond HK and is the chief financial officer of the Group. He is primarily responsible for the overall accounting and financial management of the Group.

Mr. Wong attended a student exchange programme at HES Amsterdam School of Economics and Business in the Netherlands from January 2006 to May 2006 and graduated from The Hong Kong Polytechnic University in Hong Kong, with a degree of bachelor of science in global supply chain management in December 2007. From January 2008 to September 2009 and October 2009 to February 2011, Mr. Wong worked at Lowe Bingham & Matthews PricewaterhouseCoopers (Macau) and PricewaterhouseCoopers Ltd. (Hong Kong), both are multinational accounting firms, respectively, with the last position as senior associate. He was admitted in May 2011 and is currently a member of the HKICPA.

REPORT OF THE DIRECTORS

The Directors submit herewith their report together with the audited combined financial statements of the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES AND REORGANISATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 10 January 2014. Pursuant to a special resolution passed on 22 January 2014, the name of the Company was changed from AdBeyond International (Holdings) Limited to Guru Online (Holdings) Limited. Under a reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's Shares on the GEM of the Stock Exchange (the "**Group Reorganisation**"), the Company has become the ultimate holding company of the Group on 16 May 2015. Details of the Group Reorganisation are set out in the Prospectus.

The principal activities of the Group are the provision of (i) digital advertisement placement services; (ii) social media management services; and (iii) creative and technology services, enabling us to provide integrated digital marketing services to our clients.

The Company's Shares have been listed on the GEM of the Stock Exchange since the Listing Date.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company is a limited liability company incorporated in the Cayman Islands and its principal place of business in Hong Kong is Level 22, AIA Tower, 183 Electric Road, North Point, Hong Kong.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by operating segment is set out in note 9 to the combined financial statements.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2015 and the state of affairs of the Group as at that date are set out in the combined financial statements from pages 41 to 46 of this report.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: HK$13.80 million paid by AdBeyond HK.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 37 to the combined financial statements and in the combined statement of changes in equity, respectively.

REPORT OF THE DIRECTORS

PLANT AND EQUIPMENT

Details of movements in plant and equipment of the Group during the year are set out in note 18 to the combined financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 30 to the combined financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2015, the aggregate amount of distributable reserves available for distribution to our Shareholders was approximately HK$13.46 million.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last three financial years is set out on page 98 of this report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Since the Shares of the Company were listed on the GEM of the Stock Exchange on 29 May 2015, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the year.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was conditionally approved by the Company pursuant to the written resolutions of all the then Shareholders dated 20 May 2015. The terms of the Share Option Scheme are in accordance with Chapter 23 of the GEM Listing Rules. The following is a summary of the principal terms of the Share option Scheme.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group.

(b) Participants of the Share Option Scheme

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

(i) any employee (whether full-time or part-time, including a director) of our Company, any of our subsidiaries or any entity ("**Invested Entity**") in which any member of the Group holds an equity interest;

(ii) any directors (including non-executive directors and independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of any member of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vii) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Share Option Scheme, an offer for the grant of options may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants.

(c) Total number of Shares available for issue under the Share Option Scheme

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date. The Company may refresh this limit at any time, subject to the Shareholders' approval and the issue of a circular and in accordance with the GEM Listing Rules provided that the total number of Shares which may be allotted and issued upon exercise of all outstanding options to be granted under the Share Option Scheme and any other share option schemes of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for such purpose, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Group) previously granted under the Share Option Scheme and any other share option schemes of the Group will not be counted. The above is subject to the condition that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Group shall not exceed 30% of the Share Capital of the Company in issue from time to time.

As at the date of this report, the outstanding number of share options available for grant under the Share Option Scheme is 160,000,000 share options to subscribe for Shares, representing approximately 10% of the issued share capital of the Company.

(d) The maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and to be issued upon exercise of options granted to each participant (including both exercised or outstanding options) under the Share Option Scheme or any other share option schemes of the Group, in any 12-month period shall not exceed 1% of the Company's Shares in issue. Any further grant of Share Options in excess of this limit is subject to Shareholders' approval in a general meeting.

(e) Timing for exercising option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years after the offer date of the option.

(f) Acceptance and payment on acceptance of option offer

An offer of the grant of the option may be accepted by a participant within such time as may be specified in the offer (which shall not be later than 21 days from the date of the offer of grant of the option.

HK$1 shall be payable by the grantee to the Company as consideration for the grant on acceptance of the option offer.

(g) The basis of determining the subscription price of option

The subscription price for Shares under the Share Option Scheme in respect of any option shall be at the discretion of the Directors, provided that it shall not be less than the highest of:

(i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer of grant, which must be a business day;

(ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and

(iii) the nominal value of the Shares.

(h) Duration of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

No share option has been granted under the Share Option Scheme since its adoption.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme disclosed above, at no time during the year 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

The Directors since the Listing Date and up to the date of this report were:

Executive Directors

Mr. Yip Shek Lun *(Chairman)*
Mr. Ng Chi Fung
Ms. Wan Wai Ting

Non-executive Director

Ms. Wang Lai Man, Liza
Mr. Cheung Wing Hon
Ms. Cheung Laam
Ms. Hu Ming

Independent Non-executive Directors

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung

In accordance with the Company's articles of association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, are required to retire from office at each annual general meeting of the Company, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once in every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation every year shall be include (so far as necessary to obtain the number required) any Director who wishes to retire and not offer himself for re-election, and any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting, and any further Directors who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 108 of the articles of association of the Company, Mr. Yip Shek Lun, Mr. Ng Chi Fung, Ms. Wan Wai Ting and Ms. Wang Lai Man, Liza will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

The Company has received annual confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this report, the Board considers them independent.

DIRECTORS' SERVICE CONTRACTS

Each of our Executive Director has entered into a service agreement with the Company for a fixed term of one year with effect from the Listing Date, and shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, subject to early termination in accordance with the terms of the service agreement.

Each of our Non-executive Directors has been appointed for a fixed term of one year commencing from the Listing Date, subject to early termination in accordance with the terms of the service agreement.

Each of our Independent Non-executive Directors has been appointed for a fixed term of one year with effect from the Listing Date.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2015.

EMOLUMENT POLICY

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration, having regard to market competitiveness, individual performance and achievement. The Company has adopted the Share Option Scheme as an incentive to Directors and the relevant eligible participants.

Details of the Directors' remuneration and the five highest paid individuals are set out in note 14 and 15 to the combined financial statements respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical information of Directors and senior management of the Group are set out from pages 13 to 17 of this report.

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

As at 31 March 2015, the Shares were not listed on GEM. Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "**SFO**"), section 352 of the SFO and Rules 5.46 to 5.67 of the GEM Listing Rules were not applicable to the Group.

As at the date of this report, 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 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 Shares

Name	Nature of interest	Total number of Shares held	Percentage of shareholding
Mr. Yip Shek Lun	Interests held jointly with another person (Note 1)	365,760,000	21.94%
("**Mr. Alan Yip**")	Interest in controlled corporation (Note 2)/	249,120,000	14.94%
(Chairman)	Interest of spouse (Note 3)		
Ms. Wan Wai Ting	Interests held jointly with another person (Note 1)	365,760,000	21.94%
("**Ms. Karin Wan**")	Interest in controlled corporation (Note 2)/	249,120,000	14.94%
	Interest of spouse (Note 3)		
Mr. Ng Chi Fung	Interests held jointly with another person (Note 1)	432,000,000	25.91%
("**Mr. Jeff Ng**")	Beneficial owner	182,880,000	10.97%
Ms. Wang Lai Man, Liza	Interests held jointly with another person (Note 1)	432,000,000	25.91%
("**Ms. Liza Wang**")	Beneficial owner	182,880,000	10.97%
Mr. Cheung Wing Hon	Interest in controlled corporation (Note 4)	132,720,000	7.96%
("**Mr. Patrick Cheung**")			

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 a deed of a confirmation and undertaking entered into among Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Lisa 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, 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 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 the Shares held by HGI Growth.

Save as disclosed above, as at the date of this report, none of the Directors nor chief executive of the Company has registered an interests and short positions 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 31 March 2015, the Shares were not listed on GEM. So far as the Directors are aware, as at the date of this report, the following persons (other than 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 Shares

Name	Nature of interest	Total number of Shares held	Percentage of shareholding
Cooper Global	Beneficial owner	249,120,000	14.94%
Huayi Brothers International Investment Ltd. ("**Huayi Brothers**")	Beneficial owner	248,970,000	14.93%
HUAYI BROTHERS INTERNATIONAL LIMITED ("**Huayi Brothers International**")	Interest in controlled corporation (Note 1)	248,970,000	14.93%
Huayi Brothers Media Corporation ("**Huayi Brothers Media**")	Interest in controlled corporation (Note 1)	248,970,000	14.93%
PURE FORCE INVESTMENTS LIMITED ("**Pure Force**")	Beneficial owner	109,930,000	6.59%
HGI Growth	Beneficial owner	132,720,000	7.96%
Ms. Chen Wing Man	Interest of spouse (Note 2)	614,880,000	36.88%
Ms. Lo Wai Kei	Interest of spouse (Note 3)	132,720,000	7.96%
Mr. Wong Yuet Yeung Harry ("**Mr. Harry Wong**")	Interest in controlled corporation (Note 4)	109,930,000	6.59%

Notes:

1. 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 the Shares held by Huayi Brothers.

2. 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.

3. 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.

4. 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 the Shares held by Pure Force.

Save as disclosed above, as at the date of this report, 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases for the year attributable to the Group's major suppliers and customers are as follows:

Purchases

– the largest supplier	20.42%
– five largest suppliers combined	50.06%

None of the Directors, or any of their close associates or any Shareholder (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the major suppliers noted above.

Viral Digital Studio Limited ("**VDS**") was our largest supplier and sole online monitoring service supplier for the year ended 31 March 2014 and 2015. VDS is wholly-owned by Mr. Wong Chi Shing who is also the sole director of VDS and a cousin of Mr. Harry Wong and Mr. Wong Yuet Fu, Alfred ("**Mr. Alfred Wong**"). Although Mr. Wong Chi Shing is a cousin of Mr. Harry Wong and Mr. Alfred Wong, the Directors consider that such relationships had not caused and are unlikely to cause any conflict of interest between the Group and Mr. Harry Wong and Mr. Alfred Wong, in particular in relation to the supplier selection process, because (i) the engagement of VDS has been approved by the Directors and Mr. Harry Wong has had no decision-making power in the supplier selection process and (ii) being our chief financial officer, Mr. Alfred Wong has had no involvement in the supplier selection process.

The agreement dated 7 March 2014 entered into between AdBeyond HK and VDS in relation to the provision of online monitoring services and related video production services by VDS to AdBeyond HK (as amended by a supplemental agreement dated 28 January 2015 entered into between the same parties (together, the "**VDS Service Agreement**")) is for an initial term of three years from 7 March 2014, and may be amended or renewed subject to the Board's approval, issue of announcement and independent Shareholders' approval. In particular, under the VDS Service Agreement, before the Group places a purchase order, the Group and VDS shall negotiate in good faith for, and agree upon, the particular terms of such purchase order (such as the particulars and specifications of the online monitoring services and related video production services, the service fee to be charged by VDS, payment method and schedule, reimbursement of out-of-pocket expenses, time for completion and delivery of the online monitoring services and related video production services, etc.).

The aggregate service fees paid to VDS amounted to approximately HK$10.61 million and HK$10.88 million for the years ended 31 March 2015 and 2014 respectively, accounting for approximately 20.42% and 26.30% of our total cost of services excluding staff costs and amortisation expenses for the same periods, respectively.

The independent non-executive Directors have reviewed the above transactions with VDS during the year and confirmed that:

1. the transactions disclosed above were entered into in the Group's ordinary and usual course of business and conducted on normal commercial terms from independent third parties; and

2. the transactions disclosed above were conducted in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of Shareholders as a whole.

Sales

The percentage of sales for the year attributable to the Group's five largest customers combined was less than 30% of the Group's total revenue.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in note 35 to the combined financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float required by the GEM Listing Rules since the Listing Date and up to the date of this report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

REPORT OF THE DIRECTORS

DEED OF NON-COMPETITION

The deed of non-competition dated 20 May 2015 has been entered by Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan, Ms. Liza Wang and Cooper Global in favour of the Company regarding certain non-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.

USE OF PROCEEDS

The net proceeds from the listing were approximately HK$91.8 million, after deducting the underwriting commission and related expenses in the amount of approximately HK$25.0 million, payable by our Company in relation to the listing. We intend to apply approximately 91.0% of the aforesaid net proceeds in the following manner from the Listing Date to 31 March 2018:

- approximately HK$24.0 million, representing approximately 26.1% of the net proceeds, will be used for expanding our client base and business operations;
- approximately HK$25.3 million, representing approximately 27.6% of the net proceeds, will be used for strengthening and broadening our existing range of digital marketing services; and
- approximately HK$34.2 million, representing approximately 37.3% of the net proceeds, will be used for pursuing growth through selective mergers and acquisitions.

The remaining balance of approximately HK$8.3 million, representing approximately 9.0% of the net proceeds, will be used for the funding of our working capital and general corporate purposes.

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 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 the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 36 to the combined financial statements.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out on pages 30 to 38 of this annual report.

REVIEW BY AUDIT COMMITTEE

The audited combined financial statements of the Group for the year ended 31 March 2015 have been reviewed by the audit committee. The audit committee is of the opinion that the combined financial statements of the Group for the year ended 31 March 2015 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

AUDITOR

The combined financial statements for the year ended 31 March 2015 have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

By order of the Board
Yip Shek Lun
Chief Executive Officer, Chairman of the Board and Executive Director

Hong Kong, 24 June 2015

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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.

As the Shares of the Company were not listed on the GEM of the Stock Exchange until the Listing Date, the code provisions were not applicable to the Company for the year ended 31 March 2015. Throughout the period since the Listing Date and up to the date of this report, 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 chairman and chief executive 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 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 Groups believe 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, our 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.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of the Shareholders and investors.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

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. As the shares of the Company were not listed on the GEM of the Stock Exchange until 29 May 2015, the Model Code was not applicable to the Company for the year ended 31 March 2015. 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 the date of this report.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and monitoring of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. As at the date of this report, the Board comprises eleven Directors. The Board's present composition is as follows:

Executive Directors:

Mr. Yip Shek Lun *(Chairman and Chief Executive Officer)*
Mr. Ng Chi Fung
Ms. Wan Wai Ting

Non-executive Directors:

Ms. Wang Lai Man, Liza
Mr. Cheung Wing Hon
Ms. Cheung Laam
Ms. Hu Ming

Independent non-executive Directors:

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung

The Board sets the strategies and directions for the Group's activities with a view to developing its business and enhancing shareholders' value. The Board has delegated the daily operation and day-to-day management of the Group as well as the implementation of the Board's policies and strategies to the executive Directors and management of the Group.

All Directors carry out their duties in good faith and in compliance with applicable laws, rules and regulations, make decisions objectively and act in the interests of the Company and its Shareholders at all times.

There is no financial, business, family or other material/relevant relationship amongst the Directors, except that (i) Mr. Alan Yip and Ms Kavin Wan are married couple; (ii) Mr. Patrick Cheung is the brother of Ms. Cheung Laam; and (iii) Mr. Alan Yip, Mr. Jeff Ng, Ms. Kavin Wan and Ms. Liza Wang are persons acting in concert. By the Acting in Concert Confirmation and Undertaking, each of Mr. Alan Yip, Mr. Jeff Ng, Ms. Kavin Wan and Ms. Liza Wang, (a) confirmed that since 1 April 2011, they have adopted a consensus building approach to reach decisions on a unanimous basis, voted as a group (by themselves and/or through companies controlled by them) in respect of all corporate matters relating to the financials and operations of the Group at the shareholder and board levels of each member company within the Group, and have been given sufficient time and information to consider and discuss in order to reach consensus; and (b) have undertaken that, upon 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, they will maintain the above acting-in-concert relationship.

The Group will continue to update the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in the Provision D.3.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Company; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and relevant disclosures in the corporate governance report as set out in the annual report of the Company.

The Board is performing the abovementioned corporate governance functions starting from the Listing Date.

BOARD DIVERSITY POLICY

Pursuant to the CG Code, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Company recognizes and embraces the benefits of diversity of the Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

As at the date of this report, the Board comprises eleven Directors. Four of the Directors are independent non-executive Directors and all of them are independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversities, whether considered in terms of gender, professional background and skills.

DIRECTORS' ATTENDANCE AT BOARD MEETING

Regular board meetings are held at quarterly intervals with additional meetings convened as and when necessary to discuss the overall strategic directions, operations and financial performance of the Group, and to approve quarterly, interim and annual results and other significant matters. For regular meetings, the Board members are given at least 14 days prior notice and agenda with supporting documents are sent to the Directors not less than 3 days before the relevant meeting is held.

Directors may propose to the chairman or the Company Secretary to include matters in the agenda for regular board meetings.

Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting in favour of the related board resolutions as appropriate.

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. Minutes of meetings of the Board and Board committees are kept by the Company Secretary in sufficient details of the matters considered and decisions reached, including dissenting views expressed, and are open for inspection on reasonable notice by any Director. Draft and final versions of minutes are sent to all Directors for their comments and records respectively within a reasonable time after the board meeting is held.

All Directors have access to the advice and services of the Company Secretary with a view to ensuring the Board procedures are followed.

Provision A.1.1 of the CG Code prescribes that at least 4 regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through other electronic means of communication. As the Shares of the Company were listed on the GEM on 29 May 2015, the said provision was not applicable to the Company during the year under review. Since the listing of the Company on the GEM on 29 May 2015, the Board will schedule to have at least four regular meetings in a year. Other Board meetings will be held if necessary.

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Each of our executive Directors has entered into a service agreement with the Company pursuant to which he or she has agreed to act as an Executive Director for a fixed term of one year with effect from the Listing Date. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, subject to early termination in accordance with the terms of the service agreement.

Each of our non-executive directors and independent non-executive Directors has been appointed for a fixed term of one year commencing from the Listing Date.

In compliance with the Provision in A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment. By virtue of the articles of association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the Provision in A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not three or a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors. The Directors who shall retire in each year include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election, and any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting, and any further Directors who have been longest in the office since their last re-election or appointment and so that as between persons who become or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to the Company's articles of association, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for judgement of such notices will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting and the minimum length of the period during which such notices to the Company may be given must be at least 7 days. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are persons with relevant academic and professional qualifications. They advise the Company on strategic development, which enables the Board to maintain high standards of compliance with financial and other regulatory requirements. In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed four Independent Non-executive Directors representing more than one-third of the Board and with at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise.

Prior to their respective appointment, each of the Independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence. The Company has received from each of the Independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers all the Independent Non-executive Directors to be independent and meet the requirements as set out in Rule 5.09 of the GEM Listing Rules as at the date of this report.

DIRECTORS' PARTICIPATION IN CONTINUOUS PROFESSIONAL TRAININGS

During the year, the Directors received from the Company from time to time the updates on laws, rules and regulations which might be relevant to their roles, duties and functions as a director of a listed company. All Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable legal and regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefings and professional development to Directors will be arranged whenever necessary.

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 paragraphs C3.3 and C3.7 of the CG Code. The primary duties of the Audit Committee are, among other things, to make recommendations to our Board on the appointment, reappointment 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 our Board.

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.

Due to the fact that the Company was listed after the reporting period, no Audit Committee meeting was held during the year ended 31 March 2015. Pursuant to the meetings of the Audit Committee held in June 2015 attended by all the members of the Audit Committee, the Audit Committee has, together with the management of the Company and external independent auditor, reviewed the audited annual results of the Group for the year ended 31 March 2015 and recommended approval to the Board.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "**Remuneration Committee**") pursuant to a resolution of the Directors passed on 20 May 2015 with written terms of reference in compliance with Rules 5.34 and 5.35 of the GEM Listing Rules. The written terms of reference of the Remuneration Committee was adopted in compliance with paragraph B1.2 of the CG Code. The primary duties of the Remuneration Committee are to review and approve the management's remuneration proposals, make recommendations to the Board on the remuneration packages of the Directors and senior management and ensure none of the Directors determine their own remuneration.

The Remuneration Committee comprises three members, namely, Mr. Hong Ming Sang, Mr. Lam Tung Leung, both independent non-executive Directors, and Mr. Alan Yip, an executive Director. Mr. Hong Ming Sang is the chairman of the Remuneration Committee.

Due to the fact that the Company was listed after the reporting period, no Remuneration Committee meeting was held during the year ended 31 March 2015. The first remuneration committee meeting was held on 24 June 2015 for, inter alia, reviewing the remuneration of Directors and senior management.

NOMINATION COMMITTEE

The Company established a nomination committee (the "**Nomination Committee**") pursuant to a resolution of the Groups passed on 20 May 2015 with written terms of reference in compliance with Provision A.5.2 of the CG Code. The primary duties of the Nomination Committee are mainly to review the structure, size and composition of our Board, and select or make recommendations on the selection of individuals nominated for directorships.

The Nomination Committee comprises three members, Mr. Lam Tung Leung, Mr. Tso Ping Cheong, Brian, both independent non-executive Directors, and Mr. Alan Yip, an executive Director. Mr. Lam Tung Leung is the chairman of the Nomination Committee.

Due to the fact that the Company was listed after the reporting period, no Nomination Committee meeting was held during the year ended 31 March 2015 and up to the date of this report.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for the preparation and true and fair presentation of the financial statements of the Company. In preparing the financial statements, the financial reporting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable judgements and estimates have been made. The Board is not aware of any material uncertainties relating to the events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the ongoing concern basis in preparing the financial statements.

The responsibilities of the external auditors regarding their financial reporting are set out in the independent auditor's report for the year ended 31 March 2015 as contained in this report.

AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's external auditor, SHINEWING (HK) CPA Limited (the "**Auditor**"), for the year ended 31 March 2015, is set out as follows:

	Fees paid/ payable HK$
Annual audit services	300,000
Audit services relating to the listing of the Company's shares on the Stock Exchange	700,000
Total:	1,000,000

The amount of fees charged by the Auditor generally depends on the scope and volume of the Auditor's work. The Auditor did not provide any non-audit services to the Company for the year ended 31 March 2015.

INTERNAL CONTROLS

The Board conducts regular review and evaluation of the ongoing effectiveness and adequacy of the Group's internal control system covering all controls matters, including financial, operational, compliance and risk management controls. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of Shareholders and the Group's assets.

COMPANY SECRETARY

Mr. Tsui Siu Hung, Raymond is the company secretary of the Company as appointed pursuant to Rule 5.14 of the GEM Listing Rules. During the year, Mr. Tsui undertook over 15 hours' professional training to update his skill and knowledge in compliance with the CG Code.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

Right to Convene EGMs and Procedures

Pursuant to Article 64 of the Company's articles of association, the Board may, whenever it thinks fit, convene an EGM. Any one or more member(s) holding at the date of the deposit of the requisition not less than one tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

Right to Put Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the company secretary.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

Right to Put Forward Proposals at General Meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time. However, pursuant to the Company's articles of association, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2015, there had been no significant change in the Company's constitutional documents. The articles of association of the Company are available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Group has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. All relevant corporate communication materials of the Company published on the GEM website (http://www.hkgem.com) are posted on the Company's website (http://www.guruonline.hk) as soon as practicable after their release. The Company's constitutional documents are also available on the Company's website. Information on the website shall be updated on a regular basis.

Share registration matters shall be handled for the shareholders by the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

INDEPENDENT AUDITOR'S REPORT

信永中和
ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF GURU ONLINE (HOLDINGS) LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the combined financial statements of Guru Online (Holdings) Limited (the "Company") and its subsidiaries set out on pages 41 to 97, which comprise the combined statement of financial position as at 31 March 2015, and the combined statement of profit or loss and other comprehensive income, combined statement of changes in equity and combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE COMBINED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of combined financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these combined financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the combined financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the combined financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chan Wing Kit
Practising Certificate Number: P03224

Hong Kong
24 June 2015

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
Revenue	8	**140,278**	112,594
Cost of services		**(81,187)**	(64,280)
Gross profit		**59,091**	48,314
Other income	10	**444**	326
Selling expenses		**(14,499)**	(13,217)
Administrative expenses		**(32,913)**	(28,381)
Share of profit of associates	20	**297**	74
Finance costs	11	**(3)**	(2)
Profit before tax		**12,417**	7,114
Income tax expense	12	**(3,299)**	(2,513)
Profit for the year attributable to owners of the Company	13	**9,118**	4,601
Other comprehensive income (expense)			
Item that will be subsequently reclassified to profit or loss:			
Exchange differences arising on translating foreign operations		**16**	(58)
Total comprehensive income for the year attributable to owners of the Company		**9,134**	4,543
Earnings per share			
Basic and diluted (HK$ cent)	17	**0.55**	0.28

COMBINED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-current assets			
Plant and equipment	18	**5,169**	2,550
Intangible assets	19	**3,256**	1,707
Interests in associates	20	**465**	168
Prepayment for acquisition of plant and equipment	22	**–**	1,128
Deposit paid	22	**1,481**	458
		10,371	6,011
Current assets			
Trade and bills receivables	21	**41,027**	39,741
Deposits, prepayments and other receivables	22	**12,178**	8,099
Amount due from a related company	23	**–**	9
Amounts due from associates	24	**327**	245
Amounts due from shareholders	24	**–**	229
Held-to-maturity investments	25	**–**	5,033
Tax recoverable		**644**	–
Restricted bank balance	26	**50**	50
Bank balances and cash	26	**13,355**	6,962
		67,581	60,368
Current liabilities			
Trade and other payables	27	**9,160**	8,724
Receipts in advance		**3,180**	2,266
Accrued expenses		**3,959**	2,977
Income tax payable		**651**	838
Obligation under a finance lease	28	**16**	20
		16,966	14,825
Net current assets		**50,615**	45,543
Total assets less current liabilities		**60,986**	51,554
Non-current liabilities			
Obligation under a finance lease	28	**–**	16
Deferred tax liability	29	**906**	592
		906	608
		60,080	50,946

COMBINED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	NOTE	**2015** **HK$'000**	2014 HK$'000
Capital and reserves			
Share capital	30	**32**	32
Reserves		**60,048**	50,914
Total equity		**60,080**	50,946

The combined financial statements on pages 41 to 97 were approved and authorised for issue by the board of directors on 24 June 2015 and are signed on its behalf by:

Yip Shek Lun　　　　Ng Chi Fung

COMBINED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to owners of the Company				
	Share capital HK$'000	**Share premium** HK$'000	**Exchange reserve** HK$'000	**Retained profits** HK$'000	**Total** HK$'000
At 1 April 2013	32	46,625	6	13,540	60,203
Profit for the year	–	–	–	4,601	4,601
Other comprehensive expense for the year					
– Exchange differences arising on translating foreign operations	–	–	(58)	–	(58)
Total comprehensive (expense) income for the year	–	–	(58)	4,601	4,543
Dividend paid (Note 16)	–	–	–	(13,800)	(13,800)
At 31 March 2014 and 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	32	46,625	(36)	13,459	60,080

COMBINED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**12,417**	7,114
Adjustments for:		
Finance costs	**3**	2
Bank interest income	**(64)**	(128)
Reversal of impairment loss on trade receivables	**(119)**	–
Depreciation of plant and equipment	**1,664**	949
Amortisation of intangible assets	**455**	455
Impairment loss on trade receivables	**372**	–
Write off of goodwill arising on acquisition of subsidiaries	**–**	22
Share of profit of associates	**(297)**	(74)
Operating cash flows before movements in working capital	**14,431**	8,340
Increase in trade and bills receivables	**(1,613)**	(10,688)
Increase in deposits, prepayments and other receivables	**(5,223)**	(4,806)
Increase in trade and other payables	**437**	659
Increase in receipts in advance	**923**	373
Increase in accrued expenses	**983**	1,351
CASH GENERATED FROM (USED IN) OPERATIONS	**9,938**	(4,771)
Income tax paid		
– Hong Kong Profits Tax	**(3,466)**	(2,315)
– People's Republic of China Enterprise Income Tax	**(350)**	–
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**6,122**	(7,086)

COMBINED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
INVESTING ACTIVITIES		
Advance to associates	**(82)**	(97)
Repayment from (advance to) a related company	**9**	(9)
Repayment from shareholders	**229**	6,821
Interest received	**168**	24
Purchase of plant and equipment	**(3,157)**	(1,000)
Prepayment for acquisition of plant and equipment	**–**	(1,128)
Development cost of intangible assets	**(2,004)**	–
Net cash inflow from acquiring of subsidiaries (Note 31)	**–**	1,115
Redemption (purchase) of held-to-maturity investments	**5,033**	(5,000)
NET CASH FROM INVESTING ACTIVITIES	**196**	726
FINANCING ACTIVITIES		
Interest paid	**(3)**	(2)
Dividends paid	**–**	(13,800)
Repayments of obligation under a finance lease	**(20)**	(20)
NET CASH USED IN FINANCING ACTIVITIES	**(23)**	(13,822)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**6,295**	(20,182)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**6,962**	27,136
Effect of foreign exchange rate changes	**98**	8
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	**13,355**	6,962

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 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. Pursuant to a special resolution passed on 22 January 2014, the name of the Company was changed from AdBeyond International (Holdings) Limited to Guru Online (Holdings) Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are set out in note 38.

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 combined 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 COMBINED FINANCIAL STATEMENTS

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 including Mr. Yip Shek Lun, Ms. Wan Wai Ting, Mr. Ng Chi Fung (伍致豐) and Ms. Wang Lai Man, Liza throughout the year or since their respective dates of incorporation/establishment of the relevant Group's subsidiaries, up to 31 March 2015. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the combined financial statements has been prepared on a combined 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 under "Merger accounting for business combination involving entities under common control" in note 4.

The combined statement of profit or loss and other comprehensive income, combined statement of changes in equity and combined 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 year or since their respective dates of incorporation/establishment of the relevant Group's subsidiaries, up to 31 March 2015. The combined statement of financial position of the Group as at 31 March 2015 and 2014 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 and 2014.

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

The Group has applied all the new HKFRSs, Hong Kong Accounting Standards ("HKASs"), amendments and interpretations ("Int(s)") (hereinafter collectively referred to as "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning on 1 April 2014.

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 combined 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[4]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]

1 Effective for annual periods beginning on or after 1 July 2014.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after 1 January 2018.

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.

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

New and revised HKFRSs issued but not yet effective *(Continued)*

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

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

New and revised HKFRSs issued but not yet effective *(Continued)*

HKFRS 9 (2014) Financial Instruments *(Continued)*

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

New and revised HKFRSs issued but not yet effective *(Continued)*

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;
ii) Identify the performance obligations in the contract;
iii) Determine the transaction price;
iv) Allocate the transaction price to the performance obligations; and
v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's combined financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue;
ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

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

New and revised HKFRSs issued but not yet effective *(Continued)*

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation *(Continued)*

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group use straight-line method for depreciation of plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's combined financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgment in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's combined financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the combined financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong and by the Hong Kong Companies Ordinance.

The combined financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these combined financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

– Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
– Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
– Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of combination

The combined financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Combination of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the combined statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income of subsidiaries are attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Merger accounting for business combination involving entities under common control

The combined financial statements include the financial statements items of the combining entities or businesses in which the common control combination occurs as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling party's perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The combined statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the combined financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period unless the combining entities or businesses first came under common control at a later date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in associates are accounted for in the combined financial statements using the equity method. Under the equity method, investments in associates are initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the associates are recognised in profit or loss and other comprehensive income after the date of acquisition. If the Group's share of losses of an associate equals or exceeds its interest in the associate, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

After application of the equity method, including recognising the associate's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its investment in the associate. The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment in the associate. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

When the investment ceases to be an associate upon the Group losing significant influence over the associate, the Group discontinues to apply equity method and any retained interest is measured at fair value at that date which is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. Any difference between the fair value of any retained interest and any proceeds from disposing of a part interest in the associate and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss. Any amount previously recognised in other comprehensive income in relation to that investment is reclassified to profit or loss or retained earnings on the same basis as it would have been required if the investee had directly disposed of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate are recognised in combined financial statements only to the extent of unrelated investors' interests in the associate. The Group's share in the associate's gains or losses resulting from these transactions is eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services rendered in the normal course of business, net of discounts and sales related taxes.

Service income is recognised when services are provided.

The Group derives revenue from provision of advertisement placement services through digital media and provision of set-up, maintenance and monitor services on corporate profile pages through the social media platforms. The revenue is recognised on a straight-line basis over the service period.

The Group also provides services involving design and copywriting of digital advertisements, production of corporate profile pages, website, apps and related consultation. The revenue derives from these contracts is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to the proportion of the total cost of providing the service.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the combined statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating leases payments are recognised as an expense on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Plant and equipment

Plant and equipment are stated in the combined statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the combined financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the combined statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the combined financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Intangible assets

Internally-generated intangible assets – research and development expenditure

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured on the same basis as intangible assets acquired separately.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Bank balances and cash in the combined statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the combined statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

Financial instruments

Financial assets and financial liabilities are recognised in the combined statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into loans and receivables and held-to-maturity investments. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, deposits and other receivables, amounts due from a related company/associates/shareholders, restricted bank balance and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

Impairment loss on financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial assets because of financial difficulties.

For certain categories of financial assets, such as trade and bills receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30-60 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss on financial assets *(Continued)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, deposits and other receivables, amounts due from a related company/associates/shareholders, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and bills receivable, deposit and other receivable, amount due from a related company/associate/shareholder is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities including trade and other payables, accrued expenses and obligation under a finance lease are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the combined financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the combined financial statements.

Held-to-maturity investments

The directors of the Company have reviewed the Group's held-to-maturity investments in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to maturity. The carrying amount of the held-to-maturity investments is approximately HK$5,033,000 as at 31 March 2014 (2015: Nil). Details of these assets are set out in note 25.

Significant influence over associates

As per note 20, the directors of the Company considered Travellife Limited, bMedia Limited, Qooza Interactive Limited and Unwire Limited, in which the Group has 20%, 19.99%, 13% and 19.99% equity interest respectively, are associates of the Group as the Group has significant influence over bMedia Limited, Qooza Interactive Limited and Unwire Limited by virtue of its contractual right to appoint one out of five directors to the board of directors of these associates, and voting right under the provisions stated in the shareholders' agreement of these associates.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation of plant and equipment and amortisation of intangible assets

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values, while intangible assets are amortised on a straight-line basis over their estimated useful lives. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual values and the useful lives of the plant and equipment and intangible assets and if the expectation differs from the original estimates, such a difference may impact the depreciation and amortisation in the year and the estimate will be changed in the future period.

Estimated impairment loss on plant and equipment

The impairment loss on plant and equipment are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations or fair value less cost to sell. The directors of Company select an appropriate technique to determine the recoverable amounts of plant and equipment. These calculations require the use of estimates such as the future revenue and discount rates. As at 31 March 2015 and 2014, the carrying values of plant and equipment were approximately HK$5,169,000 and HK$2,550,000 respectively. No impairment loss was recognised during the years ended 31 March 2015 and 2014.

Estimated impairment loss on intangible assets

At the end of the reporting period, the Group performs testing on whether there has been impairment of intangible assets in accordance with the accounting policy as stated in note 4. Determining whether the intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible assets has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2015, the carrying values of intangible assets were approximately HK$3,256,000 (2014: HK$1,707,000). No impairment loss was recognised during the years ended 31 March 2015 and 2014.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Estimated allowance for doubtful receivables

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the estimation of future cash flows. Where the expectation of the recoverability of trade receivables is different from the original estimate, such difference will impact the carrying value of trade and bills receivables and allowance for doubtful debts in the year in which such estimation has changed. As at 31 March 2015, the carrying value of trade and bills receivables was approximately HK$41,027,000 (2014: HK$39,741,000) (net of allowance for doubtful debts of approximately HK$549,000 (2014: HK$508,000)).

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes obligation under a finance lease, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new share issues.

The Group is not subject to either internally or externally imposed capital requirements.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 **HK$'000**	2014 HK$'000
Financial assets		
Held-to-maturity investments	–	5,033
Loans and receivables (including cash and cash equivalents)	**61,433**	52,143
Financial liabilities		
At amortised cost	**13,135**	11,737

7. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, amounts due from a related company/associates/shareholders, held-to-maturity investments, restricted bank balance, bank balances and cash, trade and other payables, accrued expenses and obligation under a finance lease. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Several subsidiaries of the Group have sales and cost of services acquired denominated in currencies other than the respective functional currency, which expose the Group to foreign currency risk. Approximately 10% (2014: 16%) of the Group's sales and 5% (2014: 4%) of the Group's cost of services acquired are denominated in currencies other than the functional currency of the group entity making the sales and acquiring the services for the years ended 31 March 2015 and 2014. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's material foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		**Liabilities**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**21**	577	**205**	42
RMB	**12,263**	19,035	**1,415**	170

7. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk *(Continued)*

Sensitivity analysis

No sensitivity analysis was prepared for USD of the group entity with functional currency of HK$ as HK$ is pegged to USD. The Group is mainly exposed to the currency risk of RMB.

The following table details the Group's sensitivity to a 5% (2014: 5%) decrease and increase in HK$ against RMB. 5% (2014: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2014: 5%) change in foreign currency rate.

A positive number below indicates an increase in post-tax profit where HK$ weakening 5% (2014: 5%) against the relevant currency. For a 5% (2014: 5%) strengthen of HK$ against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be negative.

	RMB	
	2015	2014
	HK$'000	HK$'000
Profit or loss	**453**	788

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances carried at prevailing market rates. The Group also exposed to fair value interest rate risk in relation to fixed-rate restricted bank balance and obligation under a finance lease. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

The Group's exposure to interest rate risk in relation to variable-rate bank balances is minimal due to short-term maturities, hence, no sensitivity analysis is prepared.

7. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk

As at 31 March 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the combined statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 75% (2014: 70%) of the total trade receivables as at 31 March 2015.

Amounts due from a related company/associates/shareholders, are continuously monitored by assessing the credit quality of the counterparty, taking into account their financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

7. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Liquidity tables

	On demand or within 1 year HK$'000	**More than 1 year but less than 2 years HK$'000**	**Total undiscounted cash flows HK$'000**	**Carrying amount HK$'000**
As at 31 March 2015				
Non-derivative financial liabilities				
Trade and other payables	**9,160**	**–**	**9,160**	**9,160**
Accrued expenses	**3,959**	**–**	**3,959**	**3,959**
Obligation under a finance lease	**17**	**–**	**17**	**16**
	13,136	**–**	**13,136**	**13,135**

	On demand or within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2014				
Non-derivative financial liabilities				
Trade and other payables	8,724	–	8,724	8,724
Accrued expenses	2,977	–	2,977	2,977
Obligation under a finance lease	21	17	38	36
	11,722	17	11,739	11,737

(c) Fair value measurements recognised in the combined statement of financial position

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the combined financial statements approximate to their corresponding fair value due to short-term maturities.

8. 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:

	2015	2014
	HK$'000	HK$'000
Digital advertisement placement services	**51,623**	39,974
Social media management services	**58,995**	47,196
Creative and technology services	**29,660**	25,424
	140,278	112,594

An analysis of the Group's revenue by segments is set out in note 9.

9. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker ("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.

9. SEGMENT INFORMATION *(Continued)*

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 2015

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Total HK$'000
REVENUE				
External sales and segment revenue	51,623	58,995	29,660	140,278
Segment profit	17,620	24,108	17,363	59,091
Unallocated other income				444
Unallocated selling expenses				(14,499)
Unallocated administrative expenses				(32,913)
Share of profit of associates				297
Unallocated finance costs				(3)
Profit before tax				12,417

For the year ended 31 March 2014

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Total HK$'000
REVENUE				
External sales and segment revenue	39,974	47,196	25,424	112,594
Segment profit	14,751	20,807	12,756	48,314
Unallocated other income				326
Unallocated selling expenses				(13,217)
Unallocated administrative expenses				(28,381)
Share of profit of associates				74
Unallocated finance costs				(2)
Profit before tax				7,114

9. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. 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 of directors of the Company, being the chief operating decision maker, 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 Group entities whose office located in Hong Kong during the years ended 31 March 2015 and 2014.

Information about major customers

No revenue from a customer contributed over 10% of the total revenue of the Group during the years ended 31 March 2015 and 2014.

10. OTHER INCOME

	2015 **HK$'000**	2014 HK$'000
Net exchange gain	**–**	115
Bank interest income	**64**	128
Reversal of impairment loss on trade receivables	**119**	–
Sundry income	**261**	83
	444	326

11. FINANCE COSTS

	2015 **HK$'000**	2014 HK$'000
Interest on:		
Bank overdraft	**2**	–
Finance lease	**1**	2
	3	2

12. INCOME TAX EXPENSE

	2015 HK$'000	2014 HK$'000
Current tax:		
Hong Kong	**1,985**	2,651
PRC Enterprise Income Tax	**1,000**	–
	2,985	2,651
Deferred tax (Note 29)	**314**	(138)
	3,299	2,513

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

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.

No provision for the PRC Enterprise Income Tax had been made for the year ended 31 March 2014 as there was no assessable profit for that year.

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 profit before tax per the combined statement of profit or loss and other comprehensive income as follows:

	2015 HK$'000	2014 HK$'000
Profit before tax	**12,417**	7,114
Tax at the applicable statutory income tax rate of 16.5% (2014: 16.5%)	**2,049**	1,174
Tax effect of expenses not deductible for tax purpose	**937**	989
Tax effect of income not taxable for tax purpose	**(10)**	(20)
Tax effect of share of results of associates	**(49)**	(12)
Tax effect of tax losses not recognised	**32**	672
Effect of different tax rates of subsidiaries operating in other jurisdictions	**340**	(290)
Income tax expense for the year	**3,299**	2,513

Note:

The domestic tax rate of 16.5% (2014: 16.5%) in the jurisdiction where the operation of the Group is substantially based is used.

13. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2015	2014
	HK$'000	HK$'000
Directors' and chief executive's emoluments (Note 14)	**3,148**	3,396
Other staff costs (excluding directors' and chief executive's emoluments)	**48,990**	40,107
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	**1,809**	1,446
Total staff costs	**53,947**	44,949
Auditor's remuneration	**300**	56
Depreciation of plant and equipment	**1,664**	949
Amortisation of intangible assets (included in cost of services)	**455**	455
Impairment losses on trade receivables	**372**	–
Professional expenses incurred in connection with the Company's listing	**4,059**	5,146
Net foreign exchange loss	**14**	–
Write off of goodwill arising on acquisition of subsidiaries (Note 31)	**–**	22
Operating lease rentals in respect of rented premises	**5,655**	3,652

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the eleven (2014: eight) directors and chief executive were as follows:

For the year ended 31 March 2015

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors:				
Yip Shek Lun	–	960	17	977
Wan Wai Ting	–	792	17	809
Ng Chi Fung (伍致豐)	–	792	17	809
Wang Lai Man, Liza (redesignated as non-executive director on 27 November 2014)	–	519	12	531
Non-executive directors:				
Cheung Laam	–	–	–	–
Cheung Wing Hon	–	–	–	–
Hu Ming	–	–	–	–
Wang Lai Man, Liza (redesignated as non-executive director on 27 November 2014)	–	20	2	22
Independent non-executive directors:				
David Tsoi (appointed on 28 May 2014)	–	–	–	–
Hong Ming Sang (appointed on 28 May 2014)	–	–	–	–
Lam Tung Leung (appointed on 28 May 2014)	–	–	–	–
Tso Ping Cheong, Brian (appointed on 28 May 2014)	–	–	–	–
Total	–	3,083	65	3,148

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

For the year ended 31 March 2014

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:

	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors:				
Yip Shek Lun	–	960	15	975
Wan Wai Ting	–	792	15	807
Ng Chi Fung (伍致豐)	–	792	15	807
Wang Lai Man, Liza	–	792	15	807
Cheung Laam (appointed on 4 December 2013 and redesignated as non-executive director on 6 February 2014)	–	–	–	–
Cheung Wing Hon (redesignated as non-executive director on 6 February 2014)	–	–	–	–
Hu Ming (redesignated as non-executive director on 6 February 2014)	–	–	–	–
Ng Chi Fung (吳子峰) (resigned on 4 December 2013)	–	–	–	–
Non-executive directors:				
Cheung Laam (redesignated as non-executive director on 6 February 2014)	–	–	–	–
Cheung Wing Hon (redesignated as non-executive director on 6 February 2014)	–	–	–	–
Hu Ming (redesignated as non-executive director on 6 February 2014)	–	–	–	–
Total	–	3,336	60	3,396

None of the directors and chief executive waived or agreed to waive any emoluments paid by the Group during the years ended 31 March 2015 and 2014. No emoluments were paid or payable by the Group to any directors and chief executive as an inducement to join or upon joining the Group, or as compensation for loss of the office during the years ended 31 March 2015 and 2014.

The Company did not appoint a chief executive prior. Mr. Yip Shek Lun had been appointed as chief executive of the Company since 1 January 2015. Mr. Yip Shek Lun performed the duties of chief executive for the years ended 31 March 2015 and 2014. His emolument disclosed above included those services rendered by him as the chief executive.

15. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2014: four) were directors and chief executive of the Company whose emoluments are included in the disclosures in note 14 above. The emoluments of the remaining three (2014: one) individuals were as follows:

	2015 HK$'000	2014 HK$'000
Salaries and other benefits	**883**	70
Retirement benefits scheme contributions	**52**	15
Performance related incentive payments (Note)	**2,053**	870
	2,988	955

Note:

Performance related incentive payments are determined as a percentage of the sales amount procured by the employees for the years ended 31 March 2015 and 2014.

Their emoluments were within the following bands:

	Number of employees 2015	 2014
Nil to HK$1,000,000	**1**	1
HK$1,000,001 to HK$1,500,000	**2**	–

No emoluments were paid or payable by the Group to any five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2015 and 2014.

16. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2015, nor has any dividend been proposed since the end of the reporting period (2014: HK$13,800,000 paid by AdBeyond (Group) Limited).

17. EARNINGS PER SHARE

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

Earnings	**2015**	2014
	HK$'000	HK$'000
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**9,118**	4,601

Number of shares	**2015**	2014
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,667,200**	1,667,200

The diluted earnings per share is equal to basic earnings per share as calculated above as there were no potential dilutive ordinary shares outstanding for the two years ended 31 March 2015 and 2014.

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

18. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
COST			
At 1 April 2013	3,349	447	3,796
Exchange realignment	2	–	2
Additions	1,000	–	1,000
At 31 March 2014	4,351	447	4,798
Exchange realignment	(2)	–	(2)
Additions	2,430	1,855	4,285
At 31 March 2015	**6,779**	**2,302**	**9,081**
ACCUMULATED DEPRECIATION			
At 1 April 2013	1,135	164	1,299
Provided for the year	818	131	949
At 31 March 2014	1,953	295	2,248
Provided for the year	1,160	504	1,664
At 31 March 2015	**3,113**	**799**	**3,912**
CARRYING VALUES			
At 31 March 2015	**3,666**	**1,503**	**5,169**
At 31 March 2014	2,398	152	2,550

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture, fixtures and equipment	20%
Leasehold improvements	Over the shorter of term of the lease or 5 years

The net book value of plant and equipment of approximately HK$20,000 (2014: HK$37,000) in respect of an asset held under finance lease.

19. INTANGIBLE ASSETS

	Development costs HK$'000
COST	
At 1 April 2013 and 31 March 2014	2,276
Additions	2,004
At 31 March 2015	**4,280**
AMORTISATION	
At 1 April 2013	114
Provided for the year	455
At 31 March 2014	569
Provided for the year	455
At 31 March 2015	**1,024**
CARRYING VALUES	
At 31 March 2015	**3,256**
At 31 March 2014	1,707

The intangible assets are internally generated and have finite useful lives and amortised on a straight-line basis over 5 years.

20. INTERESTS IN ASSOCIATES

	2015 **HK$'000**	2014 HK$'000
Cost of investment in associates		
Unlisted equity interest in Hong Kong	**55**	55
Share of post-acquisition profits and other comprehensive income	**410**	113
	465	168

As at 31 March 2015 and 2014, the Group had interests in the following associates:

Name of entity	Form of entity	Place of incorporation/ operation/ registration	Class of shares held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held by the Group		Principal activities
				2015	2014	**2015**	2014	
Travellife Limited	Incorporated	Hong Kong	Ordinary	**20%**	20%	**20%**	20%	Provision of Internet advertising services
bMedia Limited	Incorporated	Hong Kong	Ordinary	**19.99%**	19.99%	**19.99% (note)**	19.99% (note)	Provision of Internet advertising services
Qooza Interactive Limited	Incorporated	Hong Kong	Ordinary	**13%**	13%	**13% (note)**	13% (note)	Provision of Internet advertising services
Unwire Limited	Incorporated	Hong Kong	Ordinary	**19.99%**	19.99%	**19.99% (note)**	19.99% (note)	Inactive

Note:

The Group is able to exercise significant influence over these associates because it has the power to appoint one out of the five directors of these associates under the provisions stated in the shareholders' agreement of these associates.

20. INTERESTS IN ASSOCIATES *(Continued)*

The financial information and carrying amount, in aggregate, of the Group's interests in associates that are not individually material and are accounted for using the equity method are set out below:

	2015	2014
	HK$'000	HK$'000
The Group's share of profit and total comprehensive income	**297**	74
Carrying amount of the Groups' interests in immaterial associates	**465**	168

The Group has stopped recognising its share of losses of certain associates when applying the equity method. The unrecognised share of those associates, both for the year and cumulatively, are set out below:

	2015	2014
	HK$'000	HK$'000
Unrecognised share of losses of associates for the year	**12**	41
Accumulated unrecognised share of losses of associates	**53**	41

21. TRADE AND BILLS RECEIVABLES

	2015	2014
	HK$'000	HK$'000
Trade receivables	**40,213**	40,249
Less: allowance for impairment of trade receivables	**(549)**	(508)
	39,664	39,741
Bills receivables	**1,363**	–
	41,027	39,741

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

21. TRADE AND BILLS RECEIVABLES *(Continued)*

As at 31 March 2015, included in the Group's trade receivables balances were approximately HK$14,982,000 (2014: HK$14,822,000) which was not yet 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 for whom there was no recent history of default.

As at 31 March 2015, included in the Group's trade receivables balances are debtors with aggregate carrying amount of approximately HK$26,045,000 (2014: HK$24,919,000) which were past due as at the reporting date 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 a good track record with the Group. Based on past experience, the management 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 reporting period.

	2015	2014
	HK$'000	HK$'000
Current	**14,982**	14,822
Overdue:		
– within 60 days	**11,394**	8,929
– 61-90 days	**1,760**	1,728
– 91-120 days	**1,692**	1,010
– Over 120 days	**11,199**	13,252
	26,045	24,919
	41,027	39,741

21. TRADE AND BILLS RECEIVABLES *(Continued)*

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

	2015 HK$'000	2014 HK$'000
At the beginning of the financial year	**508**	669
Impairment losses recognised on trade receivables	**372**	–
Amounts written off as uncollectible	**(212)**	(161)
Impairment losses reversed	**(119)**	–
At the end of the financial year	**549**	508

As at 31 March 2015, included in the impairment loss of trade receivables are individually impaired trade receivables with an aggregate balance of approximately HK$549,000 (2014: HK$508,000). The individually impaired receivables are recognised based on the credit history of its customer 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:

	2015 HK$'000	2014 HK$'000
USD	**–**	200
RMB	**6,857**	12,207

22. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	2015 HK$'000	2014 HK$'000
Deposits	**4,267**	3,610
Prepayments	**6,985**	4,778
Other receivables	**2,407**	1,297
	13,659	9,685
Analysed for reporting purposes:		
Non-current assets		
– Prepayment for acquisition of plant and equipment	**–**	1,128
– Deposit paid	**1,481**	458
Current assets	**12,178**	8,099
	13,659	9,685

22. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES *(Continued)*

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

	2015 **HK$'000**	2014 HK$'000
RMB	**1,646**	–

23. AMOUNT DUE FROM A RELATED COMPANY

Name of company	**2015** **HK$'000**	2014 HK$'000
Pure Force	**–**	9

During the years ended 31 March 2015 and 2014, Pure Force was wholly-owned by Mr. Harry Wong, one of significant shareholders of the Company.

The amount was unsecured, non-interest bearing and fully settled during the year.

24. AMOUNTS DUE FROM ASSOCIATES/SHAREHOLDERS

The amounts due from associates were unsecured, non-interest bearing and repayable on demand.

The amounts due from shareholders were unsecured, non-interest bearing and fully settled during the year.

25. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments include:

	2015 **HK$'000**	2014 HK$'000
Certificate of deposit	**–**	5,033

At 31 March 2014, held-to-maturity investments represented a deposit with fixed interest of 3.24% per annum and denominated in RMB which other than functional currency of the respective reporting entity of the Group. The investments matured on 7 August 2014.

26. RESTRICTED BANK BALANCE/BANK BALANCES AND CASH

At 31 March 2015, the bank balances and cash of the Group denominated in RMB were amounted to approximately HK$5,405,000 (2014: HK$2,526,000). 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 2015, the restricted bank balance carried prevailing market interest rate at 1.5% per annum (2014: 1.5% per annum) and represented the deposit for performance guarantee issued by bank to a supplier.

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:

	2015 **HK$'000**	2014 HK$'000
USD	**21**	377
RMB	**3,760**	1,795

27. TRADE AND OTHER PAYABLES

	2015 **HK$'000**	2014 HK$'000
Trade payables	**8,807**	8,312
Other payables	**353**	412
	9,160	8,724

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

	2015 **HK$'000**	2014 HK$'000
Within 30 days	**2,019**	2,493
31 to 60 days	**2,010**	117
Over 60 days	**4,778**	5,702
	8,807	8,312

27. TRADE AND OTHER PAYABLES *(Continued)*

The trade payables were due according to the terms stated in the relevant contracts. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

Included in the balances of the trade payables as at 31 March 2015, aggregate balances of approximately HK$177,000 (2014: HK$100,000) were payables to the associates of the Group, arising from acquisition of services in general trade credit term.

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

	2015 HK$'000	2014 HK$'000
USD	**205**	42
RMB	**1,415**	170

28. OBLIGATION UNDER A FINANCE LEASE

A copier of the Company is held under a finance lease. The lease term was 5 years (2014: 5 years). The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Interest rate underlying the obligation under a finance lease is fixed at the contract date at approximately 4.60%, (2014: 4.60%).

	Minimum lease payments		**Present value of minimum lease payments**	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Amount payable under a finance lease				
Within one year	**17**	21	**16**	20
In more than one year but not more than two years	**–**	17	**–**	16
	17	38	**16**	36
Less: future finance charges	**(1)**	(2)	**N/A**	N/A
Present value of lease obligation	**16**	36	**16**	36
Less: amount due for settlement with twelve months (shown under current liabilities)			**(16)**	(20)
Amount due for settlement after twelve months			**–**	16

The Company's obligation under a finance lease is secured by the lessors' charge over the leased asset.

29. DEFERRED TAX LIABILITY

The movements in the deferred tax liability during the current and prior years were as follows:

	Accelerated tax depreciation HK$'000
At 1 April 2013	730
Credit to profit or loss	(138)
At 31 March 2014 and 1 April 2014	592
Charge to profit or loss	314
At 31 March 2015	**906**

At the end of the reporting period, the Group has unused tax losses of approximately HK$2,963,000 (2014: HK$2,932,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK$2,766,000 (2014: HK$2,932,000) that will expire after five years from the year of assessment to which they related to. Other losses may be carried forward indefinitely.

Under the EIT law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the combined financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK$1,990,000 as at 31 March 2015 (2014: nil), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

30. SHARE CAPITAL

For the purpose of presenting the share capital of the Group prior to the Reorganisation in the combined statement of financial position, the balances as at 31 March 2014 and 31 March 2015 represented the combined share capital of the Company and AdBeyond BVI.

The Company was incorporated in Cayman Islands on 10 January 2014. As at the date of its incorporation, the Company had an authorised share capital of HK$390,000 divided into 39,000,000 shares of HK$0.01 each. On the same date, one share of par value of HK$0.01 was allotted and issued at nil-paid to the initial subscriber and then transferred to Mr. Ng Chi Fung（伍致豐）on the same date. At 1 April 2013, 31 March 2014 and 2015, share capital of AdBeyond BVI was amounted to HK$32,249, which divided into 20,942 ordinary shares of HK$1 each and 11,307 preferred shares of HK$1 each.

30. SHARE CAPITAL (Continued)

Details of the share capital of the Company are as follows:

	Number of shares	Amount
		HK$
Ordinary shares of HK$0.01 each		
Authorised:		
At 10 January 2014 (date of incorporation), 31 March 2014 and 31 March 2015	39,000,000	390,000
Issued and allotted:		
At 10 January 2014 (date of incorporation), 31 March 2014 and 31 March 2015	1	0.01

31. ACQUISITION OF SUBSIDIARIES

On 7 March 2014, the Group has entered into a sale and purchase agreement with a director of the Company, Mr. Ng Chi Fung（伍致豐）, in connection with the acquisition of 100% equity interest of iMinds BVI and its wholly-owned subsidiary, iMinds HK (collectively referred to as "iMinds Group") for a cash consideration of HK$1. iMinds Group is principally engaged in provision of digital advertisement placement services. iMinds Group was acquired so as to continue the expansion of the Group's digital advertisement placement services. The acquisition of iMinds Group was completed on 7 March 2014.

	HK$'000
Cash consideration transferred	–

Acquisition-related costs amounting to approximately HK$1,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the administrative expenses in the combined statement of profit or loss and other comprehensive income.

31. ACQUISITION OF SUBSIDIARIES *(Continued)*

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$'000
Trade receivables	1,515
Deposits, prepayments and other receivables	886
Bank balances and cash	1,115
Other payables	(870)
Receipt in advance	(13)
Amount due to a related company	(2,655)
	(22)

The carrying amounts of trade receivables and deposits, prepayments and other receivables at the date of acquisition approximate to their corresponding fair values due to short-term maturity.

Goodwill arising on acquisition

	HK$'000
Consideration transferred	–
Less: net liabilities acquired	(22)
Goodwill arising on acquisition	(22)

During the year ended 31 March 2014, the Group immediately recognised a write off of approximately HK$22,000 on the goodwill due to the unfavourable profit stream of iMinds Group in the foreseeable future.

Net cash inflow on acquisition of iMinds Group

	HK$'000
Consideration transferred	–
Less: Cash and cash equivalent balances acquired	(1,115)
	(1,115)

Included in the profit for the year is loss of approximately HK$3,000 attributable to the additional business generated by iMinds Group. Revenue for the year includes approximately HK$51,000 generated from iMinds Group. Had the acquisition been completed on 1 April 2013, total group revenue for the year which have been approximately HK$114,695,000, and profit for the year would have been approximately HK$4,352,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2013, nor is it intended to be a projection of future results.

32. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2015 **HK$'000**	2014 HK$'000
Within one year	**5,720**	7,076
In the second to fifth year inclusive	**6,294**	10,972
	12,014	18,048

Operating lease payments represent rentals payable by the Group for certain of its rented premises. Leases are negotiated for terms ranged from one to three (2014: one to three) years with fixed rentals.

33. CAPITAL COMMITMENTS

	2015 **HK$'000**	2014 HK$'000
Capital expenditure in respect of acquisition of plant and equipment contracted for but not provided in the combined financial statements	**–**	1,552

34. RETIREMENT BENEFITS PLAN

Hong Kong

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the Group companies (the "employer") in Hong Kong and its employees are required to make contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employer and employees are subject to a cap of HK$1,250 per month before 1 June 2014 and HK$1,500 per month, since 1 June 2014 onwards.

The PRC

As stipulated by rules and regulations in the PRC, subsidiaries in the PRC are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

During the year ended 31 March 2015, the total amount contributed by the Group to these schemes and charged to the combined statement of profit or loss and other comprehensive income was approximately HK$1,874,000 (2014: HK$1,506,000).

35. RELATED PARTY TRANSACTIONS

(a) Transactions

During the years ended 31 March 2015 and 2014, the Group entered into the following transactions with related parties:

Name of the related party	Relationship	Nature of transactions	2015 HK$'000	2014 HK$'000
iMinds HK	Common shareholder	Service income	**N/A**	1,138
Qooza Interactive Limited	Associate	Cost of services	**280**	557
Travellife Limited	Associate	Cost of services	**7**	89
bMedia Limited	Associate	Cost of services	**350**	342

The above transactions were carried out at terms determined and agreed by the Group and the relevant parties. iMinds HK had become a subsidiary of the Group since 7 March 2014.

(b) Balances

Details of the Group's non-trade outstanding balances with related parties are set out in the combined statement of financial position and in notes 23 and 24.

Details of the Group's trade outstanding balances with related parties are set out in the combined statement of financial position and in note 27.

(c) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the respective reporting periods were as follows:

	2015 HK$'000	2014 HK$'000
Short-term benefits	**3,737**	3,849
Post-employment benefits	**82**	75
	3,819	3,924

36. EVENTS AFTER THE REPORTING PERIOD

i. Increase of share capital and completion of listing

On 20 May 2015, the authorised share capital of the Company was increased from HK$390,000 to HK$100,000,000 by the creation of an additional 9,961,000,000 shares of HK$0.01 each of which the rights are identical to that of the existing shares. Immediately following completion of listing on the GEM on 29 May 2015, the authorised share capital of the Company was HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each and the issued share capital of the Company was HK$16,672,000 divided into 1,667,200,000 shares of HK$0.01 each with 8,332,800,000 shares of HK$0.01 each remaining unissued.

Pursuant to the written resolutions of the shareholders of the Company passed on 20 May 2015, 1,199,990,000 shares were issued by way of capitalisation of an amount of HK$11,999,900 standing to the credit of the share premium account of the Company as stated in share capital as detailed in the Prospectus dated 22 May 2015. The Group's shares were listed on the Stock Exchange and 467,200,000 new shares with a nominal value of HK$0.01 each were issued to the investors by way of placing at HK$0.25 each.

ii. Reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group's structure in preparation for listing of the Company's shares on the Stock Exchange. Details of the Reorganisation are set out in the section headed "History, Development and Reorganisation – Reorganisation" in the Prospectus dated 22 May 2015. As a result of the Reorganisation, the Company became the holding company of the Group on 16 May 2015.

iii. Share option scheme

Pursuant to shareholders' written resolution passed on 20 May 2015, a share option scheme has been conditionally adopted by the Company (the "Share Option Scheme"). The principle terms of the Share Option Scheme are summarised in "Statutory and General Information – D. Share Option Scheme" in Appendix V to the Prospectus. No share option has been granted under the Share Option Scheme up to the date of this report.

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTE	**2015 HK$'000**	2014 HK$'000
Non-current asset			
Investments in subsidiaries		**–**	–
Current liabilities			
Accruals		**300**	–
Amount due to a subsidiary		**–**	–
Amount due to a related company		**136**	–
		436	–
Net current liabilities		**(436)**	–
Capital and reserve			
Share capital		**–**	–
Reserve	(a)	**(436)**	–
		(436)	–

Note:

(a) Movement in reserve

	Accumulated losses HK$'000
At 10 January 2014 (date of incorporation) and 31 March 2014	–
Loss for the year	(436)
At 31 March 2015	(436)

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2015 and 2014 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares held	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company				Principal activities
				2015		2014		
				Directly	Indirectly	Directly	Indirectly	
AdBeyond BVI	The BVI	Ordinary	HK$32,249	100%	–	100%	–	Investment holding
iMinds BVI	The BVI	Ordinary	US$1	100%	–	100%	–	Investment holding
AdBeyond HK	Hong Kong	Ordinary	HK$34,427,774	–	100%	–	100%	Provision of marketing services
iMinds HK	Hong Kong	Ordinary	HK$1	–	100%	–	100%	Provision of digital media services
Adbeyond GZ	The PRC	Registered capital	HK$1,350,000	–	100%	–	100%	Provision of marketing services
Adbeyond BJ	The PRC	Registered capital	RMB1,000,000	–	100%	–	100%	Provision of marketing services

None of the subsidiaries had issued any debt securities during the year ended 31 March 2015 and at the end of the year.

FINANCIAL SUMMARY

For the year ended 31 March 2015

RESULTS

	2015 HK$'000	2014 HK$'000	2013 HK$'000
Revenue	**140,278**	112,594	89,048
Profit before taxation	**12,417**	7,114	16,699
Income tax expense	**(3,299)**	(2,513)	(2,995)
Profit for the year attributable to owners of the Company	**9,118**	4,601	13,704

ASSETS AND LIABILITIES

	2015 HK$'000	2014 HK$'000	2013 HK$'000
Total assets	**77,952**	66,379	72,117
Total liabilities	**(17,872)**	(15,433)	(11,914)
Total equity	**60,080**	50,946	60,203

Note:

The financial information for the years ended 31 March 2013 and 2014 were extracted from the prospectus of the Company dated 22 May 2015. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in note 4 to the combined financial statements.

No financial statements of the Group for the years ended 31 March 2011 and 2012 have been published. The summary above does not form part of the audited financial statements.