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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8121)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED
(THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

FINANCIAL HIGHLIGHTS

Revenue and gross profit

The Group's total revenue increased by approximately 10.18% from approximately HK\$141.39 million for the year ended 31 March 2021 to approximately HK\$155.78 million for the year ended 31 March 2022. The increase in total revenue was mainly attributable to the increase in revenue from creative and technology services, offset by the decrease in revenue from social media management services and digital advertisement placement services. The Group's gross profit margin decreased from approximately 30.66% for the year ended 31 March 2021 to approximately 21.64% for the year ended 31 March 2022. The decrease in gross profit margin was mainly because the increase in cost of services outweighed the increase in revenue. As a result, the Group's gross profit decreased by approximately 22.21% from approximately HK\$43.35 million for the year ended 31 March 2021 to approximately HK\$33.72 million for the year ended 31 March 2022.

Loss for the year attributable to owners of the Company

The Group recorded a loss of approximately HK\$0.03 million for the year ended 31 March 2022, as compared to that of approximately HK\$16.25 million for the year ended 31 March 2021. Such decrease was mainly due to the following reasons:

- 1) the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses;
- 2) decrease in marketing-related expenses incurred in selling expenses; and
- 3) increase in gain on disposal of a subsidiary.

Final Dividend

The Board has resolved not to recommend a final dividend for the year ended 31 March 2022 (2021: Nil).

ANNUAL RESULTS

The board (the “**Board**”) of Directors is pleased to announce the audited consolidated annual results of the Group for the year ended 31 March 2022 (the “**Year**”), together with the comparative audited figures for the year ended 31 March 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	3	155,777	141,391
Cost of services		(122,060)	(98,042)
Gross profit		33,717	43,349
Other income or gains	5	2,194	10,997
Selling expenses		(12,873)	(17,851)
Administrative expenses		(36,186)	(51,031)
Finance cost		(250)	(352)
Impairment loss on amounts due from associates		(22)	(23)
Provision of impairment loss on trade receivables, net of reversal		(25)	(982)
Change in fair value of financial assets at fair value through profit or loss		575	(19)
Gain on disposal of a subsidiary	15	12,872	–
Profit (loss) before tax		2	(15,912)
Income tax expense	6	(33)	(334)
Loss for the year attributable to owners of the Company	7	(31)	(16,246)
Other comprehensive expense			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial asset at fair value through other comprehensive income		–	(1,250)
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Translation reserve realised upon disposal of a subsidiary		(682)	–
Exchange differences arising on translating foreign operations		(831)	(433)
Other comprehensive expense for the year		(1,513)	(1,683)
Total comprehensive expense for the year attributable to owners of the Company		(1,544)	(17,929)
Loss per share			
Basic and diluted (HK cent)	9	(0.02)	(9.74)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Plant and equipment		1,771	3,540
Right-of-use assets		5,425	8,744
Investment properties	10	1,217	9,128
Interests in associates		–	–
Financial asset at fair value through other comprehensive income	11	–	1,250
Deposits		1,646	1,706
		<u>10,059</u>	<u>24,368</u>
Current assets			
Trade receivables	12	29,643	21,357
Deposits, prepayments and other receivables		6,629	5,225
Amounts due from associates		200	200
Tax recoverable		78	179
Financial assets at fair value through profit or loss	13	–	5,363
Bank balances and cash		12,239	33,496
		<u>48,789</u>	<u>65,820</u>
Asset classified as held for sale	16	5,627	3,630
		<u>54,416</u>	<u>69,450</u>
Current liabilities			
Trade and other payables	14	21,294	31,264
Accrued expenses		8,887	16,963
Tax payable		123	967
Lease liabilities		5,117	4,329
Contract liability		5,492	11,168
		<u>40,913</u>	<u>64,691</u>
Net current assets		<u>13,503</u>	<u>4,759</u>
Total assets less current liabilities		<u>23,562</u>	<u>29,127</u>
Non-current liabilities			
Deferred tax liability		–	–
Lease liabilities		269	4,290
		<u>269</u>	<u>4,290</u>
		<u>23,293</u>	<u>24,837</u>
Capital and reserves			
Share capital		16,672	16,672
Reserves		6,621	8,165
Total equity		<u>23,293</u>	<u>24,837</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. GENERAL

The Company was incorporated on 10 January 2014 in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are Windward 3, Regatta Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and 4/F, KOHO, 73-75 Hung To Road, Kwun Tong, Hong Kong, respectively.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries include investment holding, provision of digital media services, provision of marketing services and engagement in internet marketing platform for the travel industry.

Other than those subsidiaries of the Company established in the People's Republic of China (the "PRC") and Taiwan whose functional currency are Renminbi ("RMB") and New Taiwan dollars ("NTD"), the functional currency of the remaining subsidiaries of the Company is Hong Kong dollars ("HK\$").

The consolidated financial statements are presented in HK\$, which is also the functional currency of the Company.

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

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning 1 April 2021:

Amendment to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

Except as described below the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and on the disclosures set out in these consolidated financial statements.

Application of the Amendment to HKFRS 16, "Covid-19-Related Rent Concessions" and the Amendment to HKFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"

The amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 as if the changes were not lease modifications. Forgiveness or waiver of lease payments is accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

In 2021, the Amendment to HKFRS 16, Covid-19-Related Rent Concessions beyond 30 June 2021 has been issued by the HKICPA to extend the availability of the practical expedient described above so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The Group has adopted these amendments for the first time. The amendment did not have material impact on the financial position and performance of the Group in the current and prior years.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”).

The amendments did not have significant impact on the financial position and performance of the Group, as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts and related Amendments ²
Amendments to HKFRS 3	Reference to Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the consolidated statement of financial position of the Group.

3. 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:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contract with customers within the scope of HKFRS 15		
Digital advertisement placement services	9,175	11,760
Social media management services	39,221	62,332
Creative and technology services	107,381	67,299
	<u>155,777</u>	<u>141,391</u>

Most revenue arising from the contracts with customers of the Group are recognised overtime for both years.

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

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The directors of the Company have chosen to organise the Group around differences in services. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable segments 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 integrated marketing solutions services and other creative services involving design and copywriting of digital advertisements, production of corporate profile pages, website and apps, and related consultation.

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

Segment revenue and results

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

For the year ended 31 March 2022

	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	<u>9,175</u>	<u>39,221</u>	<u>107,381</u>	<u>155,777</u>
Segment results	<u>2,629</u>	<u>11,170</u>	<u>17,549</u>	31,348
Unallocated other income or gains				2,194
Unallocated selling expenses				(12,873)
Unallocated administrative expenses				(33,842)
Unallocated finance cost				(250)
Impairment loss on amounts due from associates				(22)
Change in fair value of financial assets at FVTPL				575
Gain on disposal of a subsidiary				<u>12,872</u>
Profit before tax				<u>2</u>

For the year ended 31 March 2021

	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	<u>11,760</u>	<u>62,332</u>	<u>67,299</u>	<u>141,391</u>
Segment results	<u>3,618</u>	<u>17,054</u>	<u>19,013</u>	39,685
Unallocated other income or gains				10,997
Unallocated selling expenses				(17,851)
Unallocated administrative expenses				(48,349)
Unallocated finance cost				(352)
Impairment loss on amounts due from associates				(23)
Change in fair value of financial assets at FVTPL				<u>(19)</u>
Loss before tax				<u>(15,912)</u>

Other segment information

For the year ended 31 March 2022

	Digital Advertisement Placement Services HK\$'000	Social Media Management Services HK\$'000	Creative and Technology Services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment results:					
Depreciation of plant and equipment	134	575	1,573	-	2,282
Provision of impairment loss in respect of trade receivables, net of reversal	(31)	326	(320)	-	(25)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Depreciation of investment properties	-	-	-	214	214
Depreciation of right-of-use assets	-	-	-	5,170	5,170
Impairment loss on amounts due from associates	-	-	-	22	22
Bank interest income	-	-	-	(34)	(34)
Dividends from financial asset at FVTPL	-	-	-	(49)	(49)
Income tax expense	-	-	-	33	33
Finance cost	-	-	-	250	250
Gain on disposal of investment properties	-	-	-	(441)	(441)
Gain on disposal of asset held for sales	-	-	-	(93)	(93)

For the year ended 31 March 2021

	Digital Advertisement Placement Services HK\$'000	Social Media Management Services HK\$'000	Creative and Technology Services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment results:					
Depreciation of plant and equipment	223	1,183	1,276	-	2,682
Provision of impairment loss in respect of trade receivables, net	451	514	17	-	982
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Depreciation of investment properties	-	-	-	415	415
Depreciation of right-of-use assets	-	-	-	5,314	5,314
Impairment loss on amounts due from associates	-	-	-	23	23
Bank interest income	-	-	-	(40)	(40)
Dividends from financial asset at FVTPL	-	-	-	(76)	(76)
Income tax expense	-	-	-	334	334
Finance cost	-	-	-	352	352
Gain on disposal of investment properties	-	-	-	(532)	(532)

Geographic information

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

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

	Revenue from external customers		Non-current assets (excluding financial instruments)	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The PRC	28,133	25,689	1,346	805
Taiwan	2,347	2,767	34	–
Hong Kong (place of domicile)	125,297	112,935	7,033	20,607
	<u>155,777</u>	<u>141,391</u>	<u>8,413</u>	<u>21,412</u>

Information about major customers

The largest customer constitutes less than 10% of the Group's total revenue for both years.

5. OTHER INCOME OR GAINS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Dividends from financial assets at FVTPL	49	76
Rental income from investment properties	–	64
Bank interest income	34	40
Gain on disposal of investment properties	441	532
Gain on disposal of asset held for sales	93	–
Government subsidies (<i>note a</i>)	–	8,508
Net exchange gains	1,109	1,457
Sundry income	468	320
	<u>2,194</u>	<u>10,997</u>

Note:

- (a) Government subsidies are cash subsidies granted by The Government of the Hong Kong Special Administrative Region under Anti-Epidemic Fund amounting to approximately HK\$8,508,000 from the Employment Support Scheme which subsidised 50% of the wages paid to each staff, subject to maximum of HK\$9,000 for each staff respectively. The Group has complied with all attached conditions during the year ended 31 March 2021 and recognised the amounts in profit or loss in “other income or gains”.

6. INCOME TAX EXPENSE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax	33	886
Taiwan Corporate Income Tax	—	39
	<u>33</u>	<u>925</u>
Over-provision in prior year:		
PRC Enterprise Income Tax	—	(591)
	<u>33</u>	<u>334</u>

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2022 and 2021 as there was no assessable profit 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.

Corporate Income Tax in Taiwan is charged at 20% for the 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 (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit (loss) before tax	<u>2</u>	<u>(15,912)</u>
Tax at the applicable statutory income tax rate of 16.5% (<i>Note</i>)	—	(2,625)
Tax effect of expenses not deductible for tax purpose	326	1,486
Tax effect of income not taxable for tax purpose	(2,516)	(2,471)
Utilisation of tax losses previously not recognised	—	(1,464)
Tax effect of tax losses not recognised	3,164	5,496
Tax effect of other temporary differences not recognised	7	—
Over-provision in prior year	—	(591)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<u>(948)</u>	<u>503</u>
Income tax expense for the year	<u>33</u>	<u>334</u>

Note:

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

7. LOSS FOR THE YEAR

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

	2022	2021
	HK\$'000	HK\$'000
Directors' and chief executive's emoluments	11,368	22,783
Other staff costs (excluding directors' and chief executive's emoluments)	44,068	49,607
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	2,619	2,477
	<u>58,055</u>	<u>74,867</u>
Total staff costs		
Gross rental income from investment properties	–	(64)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	–	13
Direct operating expenses incurred for investment properties that did not generate rental income during the year	57	72
	<u>57</u>	<u>21</u>
Auditor's remuneration	497	408
Depreciation of right-of-use assets	5,170	5,314
Depreciation of plant and equipment	2,282	2,682
Depreciation of investment properties	214	415
Provision of impairment loss on trade receivables, net	25	982
Impairment loss on amounts due from associates	22	23
Gain on disposal of subsidiary	(12,872)	–
Net foreign exchange gains	(1,109)	(1,457)

8. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

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

	2022	2021
Loss	HK\$'000	HK\$'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(31)</u>	<u>(16,246)</u>
	2022	2021
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>166,720</u>	<u>166,720</u>

Weighted average number of ordinary shares in issue and basic earnings per share were stated after taking into account the effect of the share consolidation in 14 July 2021, every 10 ordinary shares of par value HK\$0.01 each being consolidated into 1 share of par value HK\$0.10. Comparative figures have been retrospective adjusted in the consolidated financial statements for the year ended 31 March 2021 on the assumption that the above share consolidation has been effective in prior year.

10. INVESTMENT PROPERTIES

	<i>HK'000</i>
COST	
At 1 April 2020	22,656
Additions	21
Disposal	(8,876)
Transferred to asset classified as held for sale	<u>(3,898)</u>
At 31 March 2021	9,903
Disposal	(2,305)
Transferred to asset classified as held for sale	<u>(6,207)</u>
At 31 March 2022	<u>1,391</u>
ACCUMULATED DEPRECIATION	
At 1 April 2020	1,316
Provided for the year	415
Eliminated on disposal	(688)
Transferred to asset classified as held for sale	<u>(268)</u>
At 31 March 2021	775
Provided for the year	214
Eliminated on disposal	(235)
Transferred to asset classified as held for sale	<u>(580)</u>
At 31 March 2022	<u>174</u>
CARRYING VALUES	
At 31 March 2022	<u><u>1,217</u></u>
At 31 March 2021	<u><u>9,128</u></u>

The above investment properties are depreciated on a straight-line basis over shorter of the term of the lease and 40 years.

The fair value of the Group's investment properties as at 31 March 2022 was approximately HK\$2,000,000 (2021: HK\$10,674,000), which was determined by the Directors. The valuation performed by the directors of the Company was made by reference to recent market prices for properties in the similar locations and conditions.

The following table gives information about how the fair values of the investment properties as at 31 March 2022 are determined.

	Fair value hierarchy	Fair value at 31 March 2022 <i>HK\$'000</i>	Fair value at 31 March 2021 <i>HK\$'000</i>	Valuation technique and key inputs
Investment properties	Level 2	2,000	10,674	Market comparison approach – By reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

11. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVTOCI”)

Investments comprise:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Unlisted investments	<u>–</u>	<u>1,250</u>

The above unlisted equity investments represent investment in unlisted equity securities issued by private entities incorporated in Cayman Islands.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

During the year ended 31 March 2022, the Group has disposed of the equity investment designated at FVTOCI with initial investment cost of approximately HK\$2,500,000 at consideration of HK\$1,250,000. At the date of disposal, the fair value of such investment was HK\$1,250,000 and the gain on disposal was nil. The management considered the investee would be unlikely to be profitable in the future and therefore disposed of the investment.

12. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 60 days (2021: 30 to 60 days) to its trade customers.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	39,739	29,269
Less: allowance for impairment of trade receivables	(10,891)	(12,503)
	28,848	16,766
Unbilled receivables	795	4,591
	29,643	21,357

The Group does not hold any collateral over these receivables.

The following is an ageing analysis of trade receivables, net of impairment, presented based on the date of rendering services, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
– 0 to 60 days	22,037	15,592
– 61 to 90 days	1,817	310
– Over 90 days	5,789	864
	29,643	16,766

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (“ECL”). The Group recognised lifetime ECL for trade receivables based on individually significant customer as follows:

As at 31 March 2022, the director of the Company considered the ECL rate is insignificant for not credit-impaired debtors (including unbilled receivables) with gross carrying amount of approximately HK\$29,643,000 (2021: HK\$21,357,000) and thus do not recognise the ECL allowance as the amount involved is not significant.

As at 31 March 2022, the director of the Company considered the ECL rate is 100% (2021: 100%) for trade receivables from credit-impaired customers with gross carrying amount of approximately HK\$10,891,000 (2021: HK\$12,503,000) and ECL allowance amount of HK\$10,891,000 (2021: HK\$12,503,000).

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At the beginning of the financial year	12,503	11,302
Provision of impairment loss	599	1,163
Impairment losses reversed	(574)	(181)
Amount written off as uncollectible	(62)	(109)
Eliminated on disposal through a subsidiary	(1,795)	–
Exchange realignment	220	328
	<u> </u>	<u> </u>
At the end of the financial year	10,891	12,503
	<u> </u>	<u> </u>

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
USD	3,430	3,232
EUR	–	1,355
RMB	10,099	–
NTD	402	–
	<u> </u>	<u> </u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong (<i>Note (a)</i>)	–	67
	<u> </u>	<u> </u>
Fund investment, at fair value		
Listed fund (<i>Note (b)</i>)	–	4,283
Unlisted fund (<i>Note (c)</i>)	–	1,013
	<u> </u>	<u> </u>
	–	5,296
	<u> </u>	<u> </u>
Total	–	5,363
	<u> </u>	<u> </u>

Notes:

- (a) The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

During the year ended 31 March 2022, the net fair value gain in respect of the investments in quoted equity securities recognised in profit or loss amounted approximately to HK\$20,000 (2021: a net fair value loss of HK\$31,000) was recognised upon disposal of listed securities.

- (b) During the year ended 31 March 2022, the net fair value gain in respect of the investment fund domiciled in Hong Kong recognised in profit or loss amounted approximately to HK\$526,000 (2021: a net fair value loss of HK\$233,000) was recognised upon disposal of listed fund investments.

- (c) During the year ended 31 March 2022, the net fair value gain in respect of the investment fund domiciled in Hong Kong recognised in profit or loss amounted approximately to HK\$29,000 (2021: a net fair value gain of HK\$245,000) was recognised upon disposal of unlisted fund investments. The investments are measured at fair value derived from observable market values of underlying assets at the end of the reporting period.

Included in financial asset at FVTPL are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2022 HK\$'000	2021 <i>HK\$'000</i>
USD	<u>–</u>	<u>5,296</u>

14. TRADE AND OTHER PAYABLES

	2022 HK\$'000	2021 <i>HK\$'000</i>
Trade payables	18,869	28,298
Other payables	<u>2,425</u>	<u>2,966</u>
	<u>21,294</u>	<u>31,264</u>

As at 31 March 2021, included in trade payables amounted approximately HK\$9,572,000 due to a company partially-owned by a substantial shareholder of the Company who is no longer a substantial shareholder as at 31 March 2022. The amount is of trade nature and unsecured.

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	3,847	5,363
31 to 60 days	3,135	7,179
Over 60 days	11,887	15,756
	18,869	28,298

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

As at 31 March 2022 included in the balances of the trade payables were aggregate balances of approximately HK\$16,000 (2021: HK\$16,000) which were payables to the associates of the Group, arising from acquisition of services in general trade credit term.

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
USD	3,422	5,833
RMB	1,969	2,033
NTD	198	–

15. DISPOSAL OF A SUBSIDIARY

On 9 November 2021, the Group disposed of its indirectly owned subsidiary, 北京超帆文化傳播發展有限公司, which engaged in the provision of marketing services, to an independent third party for a cash consideration of HK\$1,500,000. The transaction was completed on 26 January 2022.

Consideration

	<i>HK\$'000</i>
Cash consideration	1,500

Analysis of assets and liabilities over which control was lost:

	<i>HK\$'000</i>
Plant and equipment	179
Right-of-use assets	44
Bank balances and cash	5,709
Trade and other receivables	5,419
Amounts due from fellow subsidiaries	12,768
Trade and other payables	(16,828)
Accrued expenses	(158)
Contract liability	(4,314)
Income tax payable	(741)
	<u>2,078</u>

Gain on disposal of a subsidiary:

	<i>HK\$'000</i>
Consideration	1,500
Release of exchange reserve	682
Waiver of amounts due from fellow subsidiaries (<i>note a</i>)	12,768
Less: net assets disposed of	(2,078)
	<u>12,872</u>

Net cash outflow arising on disposal of a subsidiary:

	<i>HK\$'000</i>
Cash consideration received	1,500
Less: bank balances and cash disposed of	(5,709)
	<u>(4,209)</u>

Note a: Under the undertakings of Borderless Group Limited (“buyer”), buyer agreed to waive the amount due to this subsidiary amounted to approximately HK\$12,768,000.

16. ASSET CLASSIFIED AS HELD FOR SALE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Carrying amount at the beginning of the year	3,630	–
Additions	5,627	3,630
Disposals	(3,630)	–
	<hr/>	<hr/>
Carrying amount at the end of the year	5,627	3,630
	<hr/> <hr/>	<hr/> <hr/>

In March 2022, the Group resolved to dispose of an investment property and entered into an estate agency agreement for sale of that investment property. The management of the Group has performed assessments on the availability of the investment property for immediate sale in its present condition and the probability of completing the transaction in accordance with the requirements of Hong Kong Financial Reporting Standard No. 5 entitled “Non-current Assets Held for Sale and Discontinued Operations” (“HKFRS 5”) and concluded that the sale of investment property meets the definition of asset classified as held for sale.

On 24 May 2022, the Group entered into a provisional sales and purchase agreement for disposal of an investment property at consideration of approximately HK\$5,650,000.

The disposal is expected to be completed in August 2022. The fair value less cost to sell approximated the net carrying amount of the asset and, accordingly, no impairment loss has been recognised on the asset as held for sale as at 31 March 2022.

On 25 February 2021, the Group entered into a provisional sales and purchase agreement for disposal of an investment property at consideration of approximately HK\$3,750,000. The investment property is classified as asset classified as held for sale and expected to be sold within twelve months.

The disposal was completed in April 2021 and result in a gain on disposal of asset classified as held for sale of approximately HK\$93,000, net of direct costs to sell amounted approximately HK\$27,000.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Group is principally engaged in the provision of integrated digital marketing services in Hong Kong. To formulate and implement marketing strategies and launch marketing campaigns for its customers, the Group mainly utilises digital media such as social media platforms, apps, mobile sites and websites. The goal of the Group is to become a sizeable and influential Internet enterprise and to enable our customers to promote their businesses in different areas of the world through the power and reach of the Internet.

BUSINESS REVIEW

The Group offers a range of integrated digital marketing services including (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services.

During the Year, the ongoing pandemic and emergence of new variants of the virus posed a huge challenge to the Group. Affected by a number of public health emergency measures such as outbound travel restrictions including quarantines as well as lockdowns, tourism was paralysed, many industries have entered a cold winter business season, and quite a few local activities had to be postponed, rescheduled or cancelled. Customers thus became more cautious, and postponed or suspended promotional activities, which inevitably affected the Group, in particular its revenue from creative and technology services, as the business is closely related to the promotional activities of customers.

Regarding digital advertisement placement services, the Group has established a broad customer base, therefore its balanced portfolio helped it to withstand some of the adverse effects brought about by the pandemic. Some customers, noting that consumers were spending more time online, decided to increase their budget for digital advertisements, which mitigated the impact of budget cuts. In addition, work-from-home and distance learning arrangements have greatly increased the duration of consumers' time-at-home and generated a series of related needs. As a result, during the year, the Group secured new customers, including a branded smart home electronics product.

During the Year, the performance of social media management services was stable. This was mainly because branded customers wished to maintain interaction with consumers during the pandemic, and consumers' longer time-at-home also spurred them to use social media more frequently, which, in turn, created stable demand for social media management services accordingly. The Group has begun to provide products and services such as "Chatbot", along with Big Data and video solutions several years ago. It has also been improving related technologies in order to keep up with the latest consumer trends, such as helping customers to launch AR online promotion projects on social media platforms, thus allowing consumers to experience and understand product information in a more practical way and thereby generate online sales. In these ways, the pandemic has brought irreversible changes to consumption patterns. Effective digital marketing services allow companies to better interact with target audiences and gain marketing benefits.

FINANCIAL REVIEW

Revenue and gross profit

The Group's revenue was generated from the integrated digital marketing business which is divided into provision of (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services. For the Year, our total revenue amounted to approximately HK\$155.78 million (2021: approximately HK\$141.39 million).

For the Year, our revenue generated from (i) social media management services amounted to approximately HK\$39.22 million (2021: approximately HK\$62.33 million), representing approximately 25.18% of our total revenue (2021: approximately 44.08%); (ii) digital advertisement placement services amounted to approximately HK\$9.18 million (2021: approximately HK\$11.76 million), representing approximately 5.89% of our total revenue (2021: approximately 8.32%); and (iii) creative and technology services amounted to approximately HK\$107.38 million (2021: approximately HK\$67.30 million), representing approximately 68.93% of our total revenue (2021: approximately 47.60%).

Overall, our total revenue increased by approximately 10.18% from approximately HK\$141.39 million for the year ended 31 March 2021 to approximately HK\$155.78 million for the Year. The increase in total revenue was mainly attributable to the increase in revenue from creative and technology services, offset by the decrease in revenue from social media management services and digital advertisement placement services. The Group's gross profit margin decreased from approximately 30.66% for the year ended 31 March 2021 to approximately 21.64% for the Year. The decrease in gross profit margin was mainly because the increase in cost of services outweighed the increase in revenue. As a result, the Group's gross profit decreased by approximately 22.21% from approximately HK\$43.35 million for the year ended 31 March 2021 to approximately HK\$33.72 million for the Year.

Other income or gains

Our other income or gains of the Group decreased from approximately HK\$11.00 million for the year ended 31 March 2021 to approximately HK\$2.19 million for the Year, which was mainly attributable to the decrease in subsidy income received from the Hong Kong Government under the Employment Support Scheme.

Selling expenses

Staff costs

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

For the year ended 31 March 2021 and the Year, our staff cost under selling expenses amounted to approximately HK\$8.72 million and HK\$7.98 million, representing approximately 6.17% and 5.12% of our revenue, respectively.

Sales commission

For the year ended 31 March 2021 and the Year, our sales commission amounted to approximately HK\$3.44 million and HK\$1.93 million, representing approximately 2.43% and 1.24% of our total revenue, respectively.

Marketing-related expenses

For the year ended 31 March 2021 and the Year, our marketing-related expenses amounted to approximately HK\$2.54 million and HK\$2.96 million, representing approximately 1.80% and 1.90% of our revenue, respectively.

Administrative expenses

Our administrative expenses decreased by approximately 29.08% from approximately HK\$51.03 million for the year ended 31 March 2021 to approximately HK\$36.19 million for the Year. Our administrative expenses mainly comprised administrative staff costs, foreign exchange loss, depreciation of right-of-use assets, utility expenses, building management fees, recruitment-related expenses and legal and professional fees. The decrease in our administrative expenses for the Year was mainly due to the decrease in administrative staff costs.

Finance costs

Our finance costs amounted to approximately HK\$0.25 million for the Year (2021: HK\$0.35 million). This item comprised interest expense on lease liabilities.

Gain on disposal of a subsidiary

During the Year, the Group disposed of the entire equity interest in a wholly-owned subsidiary, namely, 北京超帆文化傳播發展有限公司 (Beijing AdBeyond Culture Media Development Limited*) (the “**Disposal**”), and recognised a gain on disposal of a subsidiary of approximately HK\$12.87 million, the details of which is set out in note 15 in this announcement.

Income tax expense

The income tax expense decreased from HK\$0.33 million for the year ended 31 March 2021 to approximately HK\$0.03 million for the Year, which was mainly attributable to the decrease in PRC Enterprise Income Tax and Taiwan Corporate Income Tax for the Year.

Loss for the Year attributable to owners of the Company

For the Year, loss attributable to owners of the Company amounted approximately HK\$0.03 million, as compared to approximately HK\$16.25 million for the year ended 31 March 2021. The decrease in loss attributable to owners of the Company was mainly due to (i) the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses; (ii) a decrease in marketing-related expenses incurred in selling expenses; and (iii) increase in the gain on disposal of a subsidiary during the Year.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2022, the Group's current ratio was 1.33, compared to 1.07 as at 31 March 2021. The increase in current ratio was mainly due to decrease in trade and other payables, contract liability and accrued expenses. As at 31 March 2022, the Group's bank balances and cash amounted to approximately HK\$12.24 million (2021: approximately HK\$33.50 million).

The total interest-bearing loans and borrowings (interest-bearing bank borrowings and bank overdrafts) of the Group as at 31 March 2022 were nil (2021: Nil).

During the Year, the Group did not experience any withdrawal of facilities, default in payment of trade and other payables, bank borrowing or breach of financial covenants. As at 31 March 2022, there was no amount due to related parties (2021: Nil). The Group does not have a foreign currency hedging policy. However, we monitor our exposure to foreign currency risk on an ongoing basis and would consider hedging against significant foreign currency exposure as and when 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 (the "**Listing Date**"), the shares of the Company (the "**Shares**") were successfully listed on GEM of the Stock Exchange. Our equity consists only of ordinary shares. On 16 July 2021, the share consolidation was implemented and the total amount of issued shares of the Company was adjusted from 1,667,200,000 to 166,720,000. After the share consolidation, every ten (10) issued and unissued shares of HK\$0.01 each in the share capital of the Company were consolidated into one (1) consolidated share of HK\$0.10 each; there was no change to the amount of share capital and share premium of the Company. As at the date of this announcement, the Company's issued share capital amounted to HK\$16,672,000 and the number of issued ordinary shares was 166,720,000 with a par value of HK\$0.01 each (2021: Share capital represented HK\$16,672,000 and the number of issued ordinary shares is 1,667,200,000). Our contract commitments mainly involve leases of office properties.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the business plan as disclosed in the prospectus of the Company dated 22 May 2015 (the "**Prospectus**") or otherwise disclosed in this announcement, the Group did not have any future plans for material investments or capital assets as at 31 March 2022.

SIGNIFICANT INVESTMENTS HELD

Financial assets at fair value through other comprehensive income

	As at 31 March 2022 HK\$'000	As at 31 March 2021 HK\$'000
Unlisted investments	—	1,250

The above unlisted equity investments represent investment in unlisted equity securities issued by private entities incorporated in Hong Kong and Cayman Islands.

During the Year, the Group disposed of the equity investment designated at FVTOCI at consideration of HK\$1,250,000. At the date of disposal, the fair value of such investment was HK\$1,250,000 and the gain on disposal was nil. The management considered the investee would be unlikely to be profitable in the future and therefore disposed of the investment.

Financial asset at fair value through profit or loss

The following table sets out the particulars and movement of our financial asset at fair value through profit or loss at the end of the reporting period:

Name/fund details	Nature of business	Number of shares/Units held as at 31 March 2022	Carrying amount as at 31 March 2021 HK\$'000	Acquisition (Disposal) during the Year HK\$'000	Unrealised gain (loss) on change in fair value during the Year HK\$'000	Realised gain (loss) on disposal during the Year HK\$'000	Carrying amount as at 31 March 2022 HK\$'000	Percentage to the Group's total assets as at 31 March 2022	Dividend received during the Year HK\$'000
SIS International Holdings Limited	Note	-	67	(80)	(166)	179	-	-	-
Listed equity security			67	(80)	(166)	179	-	-	-
Baillie Gifford Worldwide Funds Plc – Long Term Global Growth A-USD-acc	Investment in fund	-	1,435	(1,646)	116	95	-	-	-
BlackRock Global Funds SICAV – Next Generation Technology A2-USD-capitalisation	Investment in fund	-	1,432	(1,559)	119	8	-	-	-
Morgan Stanley Inv. Funds SICAV – Global Endurance Fund	Investment in fund	-	1,416	(1,603)	135	52	-	-	-
Listed fund investment			4,283	(4,808)	370	155	-	-	-
Manulife Inv Allianz and Growth Fund (dist)	Investment in fund	-	1,013	(1,044)	(13)	44	-	-	49
Unlisted fund investment			1,013	(1,044)	(13)	44	-	-	49
Total			5,363	(5,932)	191	378	-	-	49

Note: Distribution of mobile and IT products, investments in promising businesses and investments in real estate.

Investment properties

As at 31 March 2022, the Group had investment properties measured at cost less accumulated depreciation and impairment, and the aggregate carrying amount of which amounted to approximately HK\$1.22 million (2021: approximately HK\$9.13 million). As at 31 March 2022, the Group's investment properties consisted of 1 car park space (2021: 2 car parks spaces and 1 leasehold premises). The fair value of the investment properties as at 31 March 2022 was approximately HK\$2.00 million (2021: approximately HK\$10.67 million). The Group intends to hold the investment properties for capital appreciation.

Save as disclosed above and the investments in subsidiaries and associates by the Company, the Group did not hold any significant investments during the Year.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2022 (2021: Nil).

CHARGE OF ASSETS

The Group did not have any charges on its assets as at 31 March 2022 (2021: Nil).

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2022, the Group had a portion of its bank deposits denominated in RMB. The Group does not have a foreign currency hedging policy but the management of the Group monitors the Group's exposure to foreign currency risk and would consider taking appropriate actions when necessary. The above-mentioned bank deposits denominated in RMB amounted to approximately HK\$0.05 million as at 31 March 2022 (2021: approximately HK\$2.53 million).

GEARING RATIO

As at 31 March 2022, the Group did not have any interest-bearing debt and hence gearing ratio was not applicable (2021: Nil).

DIVIDEND

The Board has resolved not to recommend a final dividend for the Year (2021: Nil).

TREASURY POLICIES

The Group has adopted a conservative approach towards its treasury policies. The credit risk facing the Group is primarily attributable to trade receivables, rental deposits, amounts due from associates 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 95% and 69% of the total trade receivables as at 31 March 2022 and 2021, respectively.

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

FINANCIAL KEY PERFORMANCE INDICATORS

For the Year, our total revenue amounted to approximately HK\$155.78 million (2021: approximately HK\$141.39 million). Loss attributable to owners of the Company amounted to approximately HK\$0.03 million (2021: HK\$16.25 million). Loss per share attributable to owners of the Company for the Year was HK0.02 cents (2021: HK9.74 cents).

During the Year, the Group recorded a decrease in loss mainly due to (i) the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses; (ii) a decrease in marketing-related expenses incurred in selling expenses; and (iii) increase in the gain on disposal of a subsidiary during the Year.

As at 31 March 2022, the current ratio was approximately 1.33 (2021: approximately 1.07). The Group did not have any interest-bearing debt and hence gearing ratio was not applicable as at 31 March 2022 (2021: Nil). The Group's financial position remained solid.

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. 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 during the Year and up to the date of this announcement.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Model Code as if he/she were a Director.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

For the Year, the Company has complied with the code provisions, other than Provision C.2.1 and C.1.6 of the CG Code.

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

Provision C.1.6 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Cheung Laam and Mr. Wang Zhong Lei, being the then non-executive Directors did not attend the Company’s annual general meeting held on 6 August 2021 due to their other unexpected business engagements.

AUDIT COMMITTEE

The Board has established an audit committee (“**the Audit Committee**”) pursuant to a resolution of the Directors passed on 20 May 2015 with written terms of reference as revised on 31 December 2018 in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The written terms of reference of the Audit Committee were adopted in compliance with Provisions C3.3 and C3.7 of the CG Code.

The Audit Committee comprises three members, namely, Mr. Tso Ping Cheong, Brian, Mr. David Tsoi and Mr. Hong Ming Sang, who are independent non-executive Directors. Mr. Tso Ping Cheong, Brian, who has the appropriate professional qualifications and experience in accounting matters, is the chairman of the Audit Committee. The audited annual results of the Group for the Year have been reviewed by the Audit Committee.

EVENTS AFTER THE REPORTING PERIOD

No significant events occurring subsequent to 31 March 2022 and up to date of this announcement.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the “AGM”) will be held on Friday, 5 August 2022. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by the GEM Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 1 August 2022 to Friday, 5 August 2022, both days inclusive, for the purpose of determining the entitlement of the members of the Company to attend and vote at the AGM. No transfer of shares can be registered during the said period. In order to be qualified to attend and vote at the AGM, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Friday, 29 July 2022.

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

Hong Kong, 16 June 2022

As at the date of this announcement, the executive Directors are Mr. Yip Shek Lun, Mr. Ng Chi Fung, Ms. Wan Wai Ting and Mr. Chan Pak San and the independent non-executive Directors are Mr. Tso Ping Cheong, Brian, Mr. David Tsoi, and Mr. Hong Ming Sang.

This announcement will remain on Stock Exchange’s website at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.guruonline.com.hk.