

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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This report, for which the directors (the “Directors”) of OOH 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, and there are no other matters the omission of which would make any statement herein or this report misleading.



The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months period ended 31 December 2017, together with the unaudited comparative figures for the corresponding periods in 2016 (the “Financial Information”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months period ended 31 December 2017

	Notes	For the three months period ended 31 December		For the nine months period ended 31 December	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3	15,477	14,363	41,907	47,115
Cost of sales		(9,657)	(7,681)	(25,804)	(25,262)
Gross profit		5,820	6,682	16,103	21,853
Other income and gains/(losses), net	4	24	(37)	229	436
Selling expenses		(1,476)	(1,195)	(4,909)	(3,847)
Administrative expenses		(2,598)	(1,831)	(7,723)	(5,090)
Listing expenses		—	(603)	—	(10,714)
Finance costs	5	—	(7)	—	(28)
Share of loss of an associate	9	(1)*	—	(1)*	—
Profit before income tax		1,769	3,009	3,699	2,610
Income tax expense	6	(373)	(552)	(830)	(2,173)
Profit for the period		1,396	2,457	2,869	437
Other comprehensive income					
<i>Item that may be reclassified to profit or loss:</i>					
Available-for-sale financial assets:					
Change in value		—	37	—	83
Reclassification adjustments for losses included in the consolidated statement of profit or loss		—	—	—	(173)
Other comprehensive income for the period, net of tax		—	37	—	(90)
Total comprehensive income for the period		1,396	2,494	2,869	347
Earnings per share		HK cents	HK cents	HK cents	HK cents
Basic and diluted	7	0.24	0.46	0.49	0.08

* Represents amount less than HK\$1,000.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 31 December 2017

		Share capital	Share premium	Other reserve	Available- for-sale financial assets reserve	Retained earnings	Total
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At 1 April 2016 (Audited)	(i)	10	—	—	(94)	28,750	28,666
Profit for the period		—	—	—	—	437	437
<i>Other comprehensive income</i>							
Change in value of available-for-sale financial assets		—	—	—	(90)	—	(90)
Total comprehensive income for the period		—	—	—	(90)	437	347
Interim dividend (Note 8)		—	—	—	—	(10,000)	(10,000)
Reorganisation	(ii)	(10)	—	10	—	—	—
Issue of shares of re-organisation and capitalisation	(iii)	5,400	(5,300)	(100)	—	—	—
At 31 December 2016 (Unaudited)		5,400	(5,300)	(90)	(184)	19,187	19,013
At 1 April 2017 (Audited)	(iv)	7,200	35,371	(90)	—	16,866	59,347
Profit for the period		—	—	—	—	2,869	2,869
At 31 December 2017 (Unaudited)		7,200	35,371	(90)	—	19,735	62,216



Notes:

- i. The share capital balance as at 1 April 2016 represented the issued capital of its subsidiary, Media Savvy Limited as at that date.
- ii. The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 28 June 2016 with an initial authorised share capital of HK\$100,000 divided into 10 million shares of HK\$0.01 each. 1 share was allotted and issued nil-paid to the subscriber on 28 June 2016, and was subsequently transferred to Goldcore Global Investments Limited on the same day. On 28 June 2016, the Company allotted and issued 999,999 shares to Goldcore Global Investments Limited, AL Capital Limited, Silver Pro Investments Limited, Mr. Yeung Chung Hang Patrick and Mr. Yau Siu Yeung which were credited as fully paid on consideration for the transfer of their shareholding interest in Media Savvy Limited. Upon completion of the reorganisation on 30 November 2016, the Company has become the holding company to the Group. Any difference arising there from has been dealt with in merger reserve.
- iii. The issue of 540,000,000 ordinary shares of the Company at par to the shareholders of the Company on a pro-rata basis by way of capitalizing an amount HK\$5,400,000 from the share premium account of the Company which was approved by the shareholders of the Company on 19 December 2016 has become the capitalisation issue.
- iv. On 5 January 2017, 180,000,000 ordinary shares of HK\$0.01 each of the Company were issued at a price of HK\$0.27 by way of placing. On the same date, the Company's ordinary shares were listed on the Stock Exchange. The proceeds of HK\$1,800,000 representing the par value of the ordinary shares of the Company were credited to the Company's share capital. The remaining proceeds of HK\$46,800,000, before issuing expenses of approximately HK\$6,129,000, were credited to share premium account.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

OOH Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 28 June 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands and its shares had been listed on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 5 January 2017 (the “**Listing**”). The address of its registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is located at Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company (together with its subsidiaries as the “**Group**”) is investment holding. The principal activity of the Group is provision of advertising display services (the “**Business**”) in Hong Kong.

2. Basis of Preparation and Presentation

The unaudited condensed consolidated financial statements of the Group for the nine months period ended 31 December 2017 have not been audited by the Company’s auditor, but have been reviewed by the audit committee of the Company. They have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKAs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements under the GEM Listing Rules.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is the same as the functional currency of the Company.

3. Revenue

An analysis of revenue is as follows:

	For the three months period ended 31 December		For the nine months period ended 31 December	
	2017	2016	2017	2016
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Transportation business				
Minibus	10,577	10,791	29,420	34,265
Taxi	310	144	390	1,787
Others	764	1	914	1,454
Healthcare business				
Hospitals and clinics	3,048	2,578	8,915	7,452
Health and beauty retail stores	778	849	2,268	2,157
Total	15,477	14,363	41,907	47,115

Segment Information

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive Directors in order to allocate resources and assess performance of the segment.

The executive Directors considered the business from the perspective of advertising platforms available, and determined that the Group has the following reportable operating segments:

- Provision of advertising display services over the transportation media platforms ("**Transportation Business**"); and
- Provision of advertising display services over the healthcare media platforms ("**Healthcare Business**").

Segment revenue and results

Segment revenue below represents revenue from external customers. There was no inter-segment revenue during the reporting periods. The chief operating decision makers assess the performance of the operating segments mainly based on revenue and gross profit of each operating segment. Corporate and other unallocated expenses include selling expenses, administrative expenses, listing expenses and other expenses which are common costs incurred for the operating segments as a whole and therefore they are not included in the measure of the segments' performance that is used by the chief operating decision makers as a basis for the allocation of resources and assessment of segment performance. Other income and gains/losses, net, finance costs and income tax expense are also not allocated to individual operating segment.

There were no segment assets and liabilities information provided to the chief operating decision makers.

4. Other Income and Gains/(Losses), Net

	For the three months period ended 31 December		For the nine months period ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other income and gains/(losses), net				
Bank interest income	19	3	49	28
Exchange gain/(loss), net	4	(69)	109	(106)
Investment income	—	28	—	158
Gain on disposal of available-for-sale financial assets, net	—	—	—	199
Rental income	—	—	—	122
Others	1	1	71	35
Total	24	(37)	229	436

5. Finance Costs

	For the three months period ended 31 December		For the nine months period ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank borrowings	—	7	—	28

6. Income Tax Expense

	For the three months period ended 31 December		For the nine months period ended 31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax — Hong Kong Profits Tax — Tax for the period	373	552	830	2,173

The group companies incorporated in the Cayman Islands and the British Virgin Islands are tax-exempted as no business is carried out in the Cayman Islands and the British Virgin Islands under the laws of the Cayman Islands and the British Virgin Islands respectively.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits of subsidiaries operating in Hong Kong for the three months and the nine months period ended 31 December 2017 and 2016, respectively.

No deferred tax has been recognized as there were no material temporary differences for the three months and the nine months period ended 31 December 2017 and 2016, respectively.

7. Earnings Per Share

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

	For the three months period ended 31 December		For the nine months period ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Earnings				
Earnings for the purposes of basic and diluted earnings per share	1,396	2,457	2,869	437
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	582,411	540,000	582,411	540,000

Weighted average of 540,000,000 ordinary shares for the period ended 31 December 2016, being the number of ordinary shares in issue immediately after the completion of capitalisation issue in December 2016, deemed to have been issued throughout the period ended 31 December 2016 and up to 5 January 2017, immediately before the completion of the placing of the Company's new ordinary shares.

Weighted average of 582,411,000 ordinary shares for the period ended 31 December 2017 includes the weighted average of 180,000,000 ordinary shares issued immediately after the completion of placing, in addition to the aforementioned 540,000,000 ordinary shares for the period ended 31 December 2017.

Diluted earnings per share was the same as the basic earnings per share as the Group had no potential dilutive ordinary shares during the periods ended 31 December 2017 and 2016.

Basic and diluted earnings per share was HK\$0.49 cents for the nine months period ended 31 December 2017 (2016: HK\$0.08 cents).

8. Dividend

The Board does not recommend a payment of an interim dividend for the nine months period ended 31 December 2017 (2016: Nil).

The dividends of HK\$10,000,000 for the nine months period ended 31 December 2016 represented an interim dividends declared by a subsidiary of the Company to its then equity owners prior to the Group reorganisation. The said dividend was fully settled prior to the Listing.

9. Disposal of Subsidiary and Interest in an Associate

Details of the Group's associate are as follows:

Name	Place of Incorporation	Percentage of ownership interests As at 31 December	
		2017	2016
M Savvy Media Limited (formerly known as Media Savvy Healthcare Media Limited) ("MSavvy")	Hong Kong	20%	100%

Prior to 14 November 2017, MSavvy was a wholly owned subsidiary of the Company. On 14 November 2017, the Group disposed of 80% equity interest in MSavvy (the "Disposal") to an independent third party at a consideration of HK\$8,000, which was determined by the parties with reference to the net liabilities value of MSavvy of HK\$4,499 as at 30 September 2017. The Group continues to hold the remaining 20% equity interest in MSavvy. There was no significant gain or loss recorded by the Group as a result of the Disposal.

Prior to the Disposal, MSavvy was an inactive company. With the introduction of the new shareholder, MSavvy will focus to pursue out-of-home advertising business opportunity inside the southern part of China.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leading out-of-home advertising (“OOH”) media space and service provider in Hong Kong. During the past nine months period ended 31 December 2017, the Group continued to engage in the operation of OOH advertising business on minibuses, taxis interior/exterior advertising; and provide advertising panels (traditional posters as well as digital displays) inside hospitals, clinics, and health and beauty retail stores.

Business Review

During the period under review, the Group continued its principal business in provision of OOH advertising spaces and services to its customers. The Group continued its leading trend in OOH advertising sector in Hong Kong and focusing on minibuses, taxis interior/exterior body advertisement, and to provide clients with advertising panels inside hospitals, clinics, and health and beauty retail stores.

Minibus advertising continued to act as the major revenue driver of the Group by offering minibus exterior body and seatbacks as interior advertising spaces to host promotional campaigns for our customers. The Group also strives to strengthen the quality of our services by fine-tuning our installation parameters to extend the edges of the advertising space and to enlarge our client’s advertisement including the minibus bumpers. The quality of the advertising sticker materials are also refined as well as printing methods. On the other hand, we continued to strengthen our market positioning in the healthcare sector by providing our niche and targeted media solution to our healthcare focused clients. Our major advertisers’ category remains unchanged, i.e. direct end-users customers and intermediaries such as advertising agencies whom act for their respective clients. We also offer our customers convenient design and production of advertising materials, advertisement logistics, installation and dismantling services on our several different advertising platforms.

Exclusivity of Advertising Space Booking Services

The majority of our advertising spaces are on exclusive basis but we will also procure advertising spaces from other space owners on a non-exclusive basis, should there be demand for them. In respect of these services, in most cases, we normally license these non-exclusive advertising spaces on an as-needed basis upon receiving our customers’ request.

During the period under review, and based on our plan on the use of proceeds generated from the Listing, we continued to focus on expanding our coverage on minibus bodies advertising spaces strategically, as well as taxi bodies advertising, and together we can offer our customers a wider spectrum of advertising spaces in different locations in Hong Kong and at a more competitive pricing. In addition, the management team has been focusing on our strategy to diversify and increase our coverage of our advertising network; and we are working hard to secure more exclusive licenses from minibus and taxi operators, as well as other public transport companies, and healthcare institutions.

Financial Review

Revenue and Other Income and Gains

Total revenue of the Group decreased by 11.0% from approximately HK\$47.1 million for the nine months period ended 31 December 2016 to approximately HK\$41.9 million for that of 2017. Such decrease was mainly attributable to the decrease of revenue from minibus and taxi advertising which (i) the revenue generated from minibus advertising decreased by 14.3% from approximately HK\$34.3 million for the nine months period ended 31 December 2016 to approximately HK\$29.4 million for that of 2017; and (ii) the revenue generated from taxi advertising decreased by 77.8% from approximately HK\$1.8 million for the nine months period ended 31 December 2016 to approximately HK\$0.4 million for that of 2017. The decrease of revenue during the nine months period ended 31 December 2017 was mainly due to the advertising campaigns in our minibus and taxi advertising platforms by political parties in 2016 Hong Kong Legislative Council election ("**Election**") that took place in September 2016 and most of the campaign ended towards the end of 2016. After the Election, the Group has recorded a drop of advertising campaign by political parties that led to such decrease of revenue in minibus and taxi advertising.

On the other hand, revenue generated from hospitals and clinics advertising increased by 18.7% from approximately HK\$7.5 million for the nine months period ended 31 December 2016 to approximately HK\$8.9 million for that of 2017. Such increase was mainly due to an increase of advertising revenue generated from our direct advertisers as well as advertising agency customers, since we have offered them a more competitive annual package with attractive rates.

Revenue generated from the health and beauty retail stores advertising remained stable at approximately HK\$2.3 million compared to that of approximately HK\$2.2 million for the nine months period ended 31 December 2016.

However, the Group recorded a drop in revenue generated from the provision of others types of advertising (for example advertising spaces in other OOH media formats such as MTR stations and miscellaneous services such as arranging public relation campaigns). Its revenue decreased from approximately HK\$1.5 million for the nine months period ended 31 December 2016 to approximately HK\$0.9 million for that of 2017.

Other income and gains decreased by 50.0% from approximately HK\$0.4 million for the nine months period ended 31 December 2016 to approximately HK\$0.2 million for that of 2017. Such decrease was mainly due to the decrease of investment income and gain on disposal of our available-for-sale financial assets, all of which were disposed of during the year ended 31 March 2017 ("**FY2017**").

Cost of Sales and Gross Profit Margin

In general, cost of sales increased by 2.0% from approximately HK\$25.3 million for the nine months period ended 31 December 2016 to approximately HK\$25.8 million for that of 2017, despite the decrease of revenue from approximately HK\$47.1 million for the nine months period ended 31 December 2016 to approximately HK\$41.9 million for that of 2017. The increase in cost of sales was mainly attributable to the higher license fees paid for the exclusive minibus advertising spaces.

The gross profit margin decreased by 8.0 percentage points from approximately 46.4% for the nine months period ended 31 December 2016 to approximately 38.4% for that of 2017. In the minibus sub-segment, the Group has recorded the decrease of gross profit margin from approximately 49.5% for the nine months period ended 31 December 2016 to approximately 34.2% for that of 2017. Such decrease was mainly due to the increase of the license fees paid and payable to our licensors for licensing their advertising spaces that we have expanded with and on an exclusive basis within our minibus network. Our total number of exclusive minibus advertising spaces in our fixed route minibus network (“**GMB**”) increased significantly from 993 as at 31 December 2016 to 1,103 as at 31 December 2017; which is in line with our Group’s expansion plan stated in the prospectus of the Company dated 23 December 2016 (the “**Prospectus**”). Apart from the increase of the exclusive advertising spaces, the Group has also demanded more comprehensive services from its suppliers cope with our customers’ needs in the competitive OOH advertising sector. For instance, we have requested our suppliers to strengthen the quality control of advertising materials installation and their daily reporting system. Such improvement of services has led to a slight increase in artwork and production costs from approximately HK\$2.6 million for the nine months period ended 31 December 2016 to approximately HK\$2.9 million for that of 2017. In the taxi sub-segment, the Group recorded a gross profit of approximately HK\$557,000 for the nine months period ended 31 December 2016 as compared to a gross loss of approximately HK\$120,000 for that of 2017. Such loss was due to the drop in revenue following the ending of the 2016 Election campaign and increase of the license fees paid and payable to our licensors for licensing their advertising spaces that we have expanded with and on an exclusive basis within our taxi network. However, the Group has commenced a trial run of the new taxi media advertising platform with the installation of “Taxiboard” corresponding to our continuous effort to bring in more advertising formats to the market as stated in the Prospectus while we have offered an attractive trial package to our customer during the trial. In the hospitals and clinics sub-segment, gross profit margin increased from approximately 68.2% for the nine months period ended 31 December 2016 to approximately 75.7% for that of 2017 due to the increase in revenue with a modified structure of minimum guaranteed fees paid to our licensor. Lastly, in the health and beauty retail stores sub-segment, gross loss margin improved 10.4 percentage points of approximately HK\$0.2 million for the nine months period ended 31 December 2017 as compared with that of 2016.

Selling Expenses

Selling expenses increased from approximately HK\$3.8 million for the nine months period ended 31 December 2016 to approximately HK\$4.9 million for that of 2017. The increase was mainly due to (i) the increase in marketing expenses and (ii) an increase in overseas travelling expenses for the potential opportunities in relation to new business development in overseas markets.

Administrative Expenses

Administrative expenses increased from approximately HK\$5.1 million for the nine months period ended 31 December 2016 to approximately HK\$7.7 million for that of 2017. The increase was mainly due to (i) an increase of staff costs from approximately HK\$3.3 million for the nine months period ended 31 December 2016 to approximately HK\$4.5 million for that of 2017 due to adjustment of staff salaries upon our successful listing; and (ii) an increase of administrative and professional fees of approximately HK\$1.0 million after the Listing including audit fee, share registration fee, financial report printing fee and compliance adviser fee.

Listing Expenses

The Group recorded non-recurring listing expenses of approximately HK\$10.7 million for the nine months period ended 31 December 2016 for the preparation of the Listing. No further expenses in relation to the Listing were recognized for that of 2017.

Finance Costs

Finance costs represented interest on our bank borrowings. Due to full repayment made during FY2017, the Group had no finance costs for the nine months period ended 31 December 2017 as compared to approximately HK\$28,000 for that of 2016.

Profit for the Period

We recorded a net profit of approximately HK\$2.9 million for the nine months period ended 31 December 2017 as compared to the net profit of approximately HK\$0.4 million for that of 2016. Before taking into account the listing expenses, our adjusted net profit for the nine months period ended 31 December 2016 would be approximately HK\$11.1 million.



Outlook

Since the majority of our business is on GMB advertising, our business will benefit from any improvements in the public transport scene. The Road Traffic (Amendment) Bill 2017 for increasing the maximum passenger seating capacity of light public buses from 16 to 19 seats was passed on 28 June 2017 and many GMB operators have started to replace their old fleet of minibuses to the new 19-seaters. This will definitely increase the ridership of minibuses in the market and broaden the target audiences of minibus advertising greatly. However, it is understood that many new 19-seat public light buses ordered for replacing Euro II diesel PLBs cannot be delivered to Hong Kong in time for their owners to complete the necessary procedures for de-registering their old PLBs and for submitting their applications for the ex-gratia payment under the Ex-gratia Payment Scheme for Phasing Out Pre-Euro IV Diesel Commercial Vehicles (DCVs) (the “**ex-gratia payment scheme**”) by the deadline of 31 December 2017. We are given to understand that the deadline of the ex-gratia payment scheme will be extended up to 30 June 2018 and we foresee there will be more minibus owners renewing their vehicles to the new 19-seaters to secure their respective applications under the ex-gratia payment scheme. By gradually renewing vehicles to the new 19-seat public light buses, the brand new model will be refreshing and attract more eye-balls on the street. Hence on the minibus advertising front, the new models will provide a cleaner and larger advertising space and a more refreshing look to attract more advertisers to use the minibus body for their upcoming promotions. Moreover, the red minibuses market is also our next focus as the advertising market started to accept more and more red minibus advertisement as an alternative route to promote their brands via the cross-harbor lines. We believe, as the GMB started to gain their market positioning as the medium for promotion inside a specific district and to host localized district focused campaigns, the red minibus advertising shall be another effective medium for brands that wants to cover the entire Hong Kong but on a more cost-effective way. There should still have room for expansion with more minibus routes running in different parts of Hong Kong, Kowloon, and New Territories.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Any Associated Corporation

As at 31 December 2017, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Positions in the Ordinary Shares

Name of Director	Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of shareholding interest
Ms. CHAU Wai Chu Irene ("Ms. Chau")	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau ⁽²⁾	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
Mr. DA SILVA Antonio Marcus ("Mr. Da Silva")	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva ⁽³⁾	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%

Notes:

- (1) The letter "L" denotes the entity/person's long position in the shares of the Company (the "**Shares**").
- (2) The Company was directly owned as to 38.70% (being 278,640,000 Shares) by Goldcore Global Investments Limited ("**Goldcore**"). By virtue of her 100% shareholding of Goldcore, Ms. Chau is deemed to be interested in the same number of Shares held by Goldcore.
- (3) The Company was directly owned as to 13.05% (being 93,960,000 Shares) by Silver Pro Investments Limited ("**Silver Pro**"). By virtue of his 100% shareholding of Silver Pro, Mr. Da Silva is deemed to be interested in the same number of Shares held by Silver Pro.

Long Positions in Shares of Associated Corporation

Name of Director	Name of associated corporation	Nature of interest	Percentage of interest
Ms. Chau	Goldcore	Beneficial owner	100%
Mr. Da Silva	Silver Pro	Beneficial owner	100%

All issued shares in Goldcore are solely owned by Ms. Chau. Accordingly, Ms. Chau is deemed to be interested in all the Shares held by Goldcore by virtue of the SFO.

All issued shares in Silver Pro are solely owned by Mr. Da Silva. The spouse of Mr. Da Silva is Ms. CHU Sau Kuen Jeanny. Accordingly, Mr. Da Silva and Ms. CHU Sau Kuen Jeanny are both deemed to be interested in all the Shares held by Silver Pro by virtue of the SFO.

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as is known to the Directors, as at 31 December 2017, the following persons/entities had the interests or short positions in the shares or the underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO as follows:

Long Positions in Ordinary Shares

Name of shareholder	Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of shareholding interest
Goldcore	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau ⁽²⁾	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
AL Capital Limited ⁽³⁾ ("AL Capital")	Beneficial owner	145,800,000 ordinary shares (L)	20.25%
Mr. LAU Anthony Chi Sing ⁽³⁾ ("Mr. Lau")	Interest in a controlled corporation	145,800,000 ordinary shares (L)	20.25%
Silver Pro ⁽⁴⁾	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva ⁽⁴⁾	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%
Ms. CHU Sau Kuen Jeanny ⁽⁴⁾	Interest of spouse (spouse of Mr. Da Silva)	93,960,000 ordinary shares (L)	13.05%

Notes:

- (1) The letter "L" denotes the entity/person's long position in the Shares.
- (2) All issued shares in Goldcore are solely owned by Ms. Chau. Accordingly, Ms. Chau is deemed to be interested in all the Shares held by Goldcore by virtue of the SFO.

- (3) All issued shares in AL Capital are solely owned by Mr. Lau. Accordingly, Mr. Lau is deemed to be interested in all the Shares held by AL Capital by virtue of the SFO.
- (4) All issued shares in Silver Pro are solely owned by Mr. Da Silva. The spouse of Mr. Da Silva is Ms. CHU Sau Kuen Jeanny. Accordingly, Mr. Da Silva and Ms. CHU Sau Kuen Jeanny are both deemed to be interested in all the Shares held by Silver Pro by virtue of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 31 December 2017, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months period ended 31 December 2017.

Share Option Scheme

The Company has adopted the share option scheme (the "**Scheme**") on 19 December 2016. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. The Directors consider the Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The principal terms of the Scheme are summarized in the section headed "Share Option Scheme" in Appendix IV to the Prospectus.

As at 31 December 2017, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

Competition and Conflict of Interests

None of the Directors, the directors of the Company's subsidiaries or controlling shareholders of the Company, or any of its respective close associates, as defined in the GEM Listing Rules, had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group (other than being a Director and/or a director of its subsidiaries and their respective associate) during the nine months period ended 31 December 2017.

Directors' Securities Transactions

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Based on specific enquiry made with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance during the nine months period ended 31 December 2017.

Interests of the Compliance Adviser and its Directors, Employees and Associates

Neither the compliance adviser of the Group nor its directors, employees or associates had any interests in relation to the Company as at 31 December 2017 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Compliance with the Corporate Governance Code

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code").

Throughout the nine months period ended 31 December 2017, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code, save for the deviation from the code provision A.2.1., as explained below:

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Ms. CHAU Wai Chu Irene currently holds both positions. In view of her experience and familiarity with the business operations of our Group, the Board considers that the roles of the Chairlady and Chief Executive Officer being performed by Ms. Chau would be appropriate to maintain the efficiency in the overall strategic planning, management and business development of the Group. The Board with the corporate governance committee of the Board will review the Group's corporate governance policies and compliance with the CG Code each financial year.

Audit Committee

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and the code provisions C.3.3 and C.3.7 of the CG Code. The audit committee consists of all the three independent non-executive Directors being Ms. AU Shui Ming Anna, Mr. LIANG Man Kit Jerry and Mr. HO Alfred Chak Wai. Ms. AU Shui Ming Anna serves as the chairlady of the audit committee who has appropriate professional qualifications and experience as required by the GEM Listing Rules. The primary responsibilities of the audit committee include but without limitation the following: (i) assisting the Board in providing an independent view of the effectiveness of our Group's financial reporting system, internal control and risk management systems; (ii) overseeing the audit process; and (iii) performing other duties and responsibilities as assigned by the Board.

The audit committee has discussed and reviewed the unaudited condensed consolidated financial statements of the Group for the nine months period ended 31 December 2017 and this report.

Board of Directors

As at the date of this report, the Directors are:

Executive Directors:

Ms. CHAU Wai Chu Irene (*Chairlady and Chief Executive Officer*)

Ms. CHEUNG Kit Yi

Mr. LEAN Chun Wai

Non-Executive Director:

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors:

Ms. AU Shui Ming Anna

Mr. LIANG Man Kit Jerry

Mr. HO Alfred Chak Wai

On behalf of the Board of
OOH HOLDINGS LIMITED
CHAU Wai Chu Irene
Chairlady and Chief Executive Officer