OOH Holdings Limited
奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)

BY WAY OF PLACING

Stock Code: 8091

Sole Sponsor

上銀國際有限公司
BOSC International Company Limited

Joint Bookrunners and Joint Lead Managers

上銀國際有限公司
BOSC International Company Limited

雅 利 多 證 券
Aristo Securities Limited

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

OOH Holdings Limited
奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares	**:**	**180,000,000 Placing Shares**
Placing Price	**:**	**Not more than HK$0.27 and expected to be not less than HK$0.23 plus brokerage of 1.00%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application and subject to refund)**
Nominal value	**:**	**HK$0.01 per Share**
GEM Stock code	**:**	**8091**

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雅利多證券
ARISTO SECURITIES LIMITED

Co-managers

Halcyon Securities Limited
Zhaobangji International Capital Limited
Magusta Securities Limited
Gransing Securities Company Limited

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies and Available for Inspection" attached to Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Placing Price is currently expected to be fixed by an agreement between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on the Price Determination Date, which is expected to be 30 December 2016, or such later time and date as may be agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters). If our Company and the Joint Bookrunners (for itself and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price on the Price Determination Date, or such later time and date as our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) may agree in writing, the Placing will lapse In such event, our Company will issue an announcement on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ooh.com.hk**. The Placing Price is expected to be not more than HK$0.27 and not less than HK$0.23. The indicative Placing Price range may be reduced below that stated in this prospectus at any time prior to the Price Determination Date should they consider it appropriate (for instance, if the level of interest is below the indicative Placing Price range). If this occurs, a notice of reduction of the indicative Placing Price range will be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ooh.com.hk**.

Prior to making an investment decision, prospective investors should carefully consider all the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" of this prospectus.

Prospective investors of the Placing Shares should note that the obligations of the Underwriters under the Underwriting Agreement to procure subscribers for or themselves to subscribe for the Placing Shares are subject to the termination by the Joint Bookrunners (for themselves and on behalf of the Underwriters) upon the occurrence of any of the events set out under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in this prospectus, at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Joint Bookrunners (for themselves and on behalf of the Underwriters) terminate the Underwriting Agreement, the Placing will not proceed and will lapse.

23 December 2016

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 higher 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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. Accordingly, prospective investors should note that they need to have access to the website of the Stock Exchange at www.hkexnews.hk in order to obtain up-to-date information on GEM-listed issuers.

(Note 1) (Note 6)

Expected Price Determination Date *(Note 2)*	30 December 2016
Announcement of the Placing Price and the level of indication of interest in the Placing to be published on the Stock Exchange's website at **www.hkexnews.hk** *(Note 3)* and our Company's website at **www.ooh.com.hk** *(Note 3)* on or before	4 January 2017
Allotment of the Placing Shares on or before	4 January 2017
Deposit of share certificates into CCASS on or before *(Note 4) (Note 5)*	4 January 2017
Dealings in Shares on GEM to commence at 9:00 a.m. on	5 January 2017

Notes:

1. In this prospectus, all times and dates refer to Hong Kong local times and dates.

2. The Price Determination Date is expected to be 30 December 2016 (or such later date as agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters). If the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Placing Price on the Price Determination Date, or such later time and date as may be agreed between our Company and the Joint Bookrunners, the Placing will not become unconditional and will lapse immediately.

3. None of the websites or any information contained therein form part of this prospectus.

4. The Share certificates for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on or before 4 January 2017 for credit to the relevant CCASS Participants' or the CCASS Investor Participants' stock accounts designated by the Joint Bookrunners, the placees or their agents (as the case may be). No temporary documents or evidence of title will be issued.

5. All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

6. If there is any change to the above expected timetable, a separate announcement will be made by our Company to inform investors accordingly.

Details of the structure of the Placing, including the conditions thereto, are set out in the section headed "Structure and Conditions of the Placing" in this prospectus.

IMPORTANT NOTICE TO INVESTORS

You should rely only on the information contained in this prospectus to make your decision.

This prospectus is issued by our Company solely in connection with the Placing and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Placing Shares offered by this prospectus. This prospectus may not be used for the purpose of and does not constitute an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances.

Our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus.

Any information or representation not made in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, agents or representatives or any other party involved in the Placing.

The contents on the website at ***www.ooh.com.hk*** *which is the official website of our Company do not form part of this prospectus.*

Page

This summary aims to give you an overview of the information in this prospectus. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus, including our financial statements, before you decide to invest in the Placing Shares. Some of the risks of investing in the Placing Shares are set forth in the section headed "Risk Factors" starting on page 27, which you should read carefully before deciding to invest in the Placing Shares.

OVERVIEW

We are a well-established out-of-home advertising space and service provider in Hong Kong, with a focus on advertising on minibuses, hospitals, clinics and health and beauty retail stores. In FY2015, FY2016 and 1Q2017, we generated 67.3%, 73.9% and 71.5% of our revenue from minibus advertising, respectively. We were the largest minibus advertising company in Hong Kong in 2015, based on revenue, with a market share of approximately 34.3%, according to the CIC Report. We also ranked first in terms of the number of minibuses with our exclusive advertising spaces in Hong Kong in 2015, with approximately 740 minibuses, representing approximately 17% of the number of minibuses in Hong Kong as at 31 December 2015, according to the CIC Report.

We are the only company providing advertising spaces inside public hospitals in Hong Kong, and operate a unique healthcare advertising platform, combining our exclusive advertising spaces in public and private hospitals, minibuses with fixed routes reaching major hospitals, clinics of a major private healthcare service provider, and over 170 retail stores of a leading health and beauty retail chain in Hong Kong. Advertising income from hospitals and clinics represented 19.4%, 13.8% and 16.5% of our revenue, and advertising income from health and beauty retail stores represented 8.6%, 6.3% and 3.9% of our revenue, for FY2015 and FY2016 and 1Q2017, respectively.

Our principal business is the provision of out-of-home advertising spaces and services to our customers, which comprise direct advertisers aiming to promote their brands, products or services, and advertising agents acting for such advertisers. We offer our customers convenient design and production, advertisement logistics, installation and dismantling services.

We license advertising spaces from licensors which are owners or operators of minibuses and taxis, hospitals, clinics and a leading health and beauty retail chain in Hong Kong. We license a majority of these spaces on an exclusive and long-term basis. Depending on the requirements of our customers, we may also secure advertising spaces from other owners on a non-exclusive basis. As at 30 June 2016, we had licensed exclusive advertising spaces on 752 minibuses, in 18 hospitals, 23 medical clinics, 192 health and beauty stores and 36 taxis. In FY2016, revenue generated from non-exclusive advertising spaces on minibus and taxis were HK$14.9 million and HK$0.6 million, representing 26.7% and 1.1% of our revenue for FY2016, respectively.

With over 12 years of operating history under the leadership of Ms. Chau, our founder, Chairlady, executive Director and chief executive officer, we have in-depth experience in the advertising industry, and have built up an established clientele and strategic relationship with owners of advertising spaces.

We believe our minibus advertising services enable advertisers to reach a large general audience as well as the local community of the specific minibus route, which can increase the effectiveness of their campaign and exposure to the target audience. The advertisement on the minibus body serves like a "moving banner" through the streets repetitively.

We have a large and diverse customer base, comprising over 600 customers in FY2016. Our customers include major international and local companies engaged in pharmaceutical, healthcare, beauty, food and beverage and home design and furniture industries. Most of our customers are repeat customers and we have had a business relationship for over five years with most of our major customers. Revenue of repeat customers (who had contracted with us more than once during the Track Record Period) represents approximately 53% of our revenue for FY2016.

BUSINESS MODEL

We generate revenue by providing advertising spaces and services to our customers, which are end-users or intermediaries. For FY2016, revenue generated from end-users and intermediaries were 76.1% and 23.9% of our total revenue, respectively. We also provide design and production, advertisement logistics, installation and dismantling services as part of our advertising services.

We license the advertising spaces from licensors, the majority of which are on an exclusive and long-term basis. The exclusive licenses generally require us to pay a minimum annual license fee to the licensors. Some of such licenses contain provision for profit sharing on a percentage basis if a specified threshold is exceeded. Depending on the requirements of our customers, we may also secure advertising spaces from other owners on non-exclusive basis.

The following table sets out a summary of our principal exclusive advertising spaces as at 30 June 2016.

Location/Type	Number of vehicles/sites	Number of advertising spaces
Minibuses	752	752 advertising spaces on the minibus bodies and 752 advertising spaces at the back of passenger seats
Hospitals and Clinics		
• Public hospitals	17 hospitals	375 poster panels for printed advertisement and 16 digital display panels
• Private hospital	1 hospital	7 poster panels for printed advertisement
• Clinics	23 clinics	24 video display screens
Health and Beauty Retail Stores		
• Hong Kong	179 stores	183 video display screens
• Macau	13 stores	17 video display screens
Total	192 stores	200 video display screens
Taxi	36 taxis	36 advertising spaces on the taxi bodies

We generally subcontract the advertisement printing, installation and dismantling services to subcontractors, but we remain responsible for supervising and overseeing the work of these sub-contractors.

Please see page 91 for details.

OUR CUSTOMERS AND SUPPLIERS

We have established a large and diversified customer base with over 600 customers for FY2016. Our customers comprise intermediaries and end-users, which include major international and local companies engaged in pharmaceutical, healthcare, beauty, food and beverage, furniture and entertainment industries in Hong Kong. For FY2015, FY2016 and 1Q2017, our five largest customers accounted for 31.3%, 24.5% and 25.0% of our total revenue, while the largest customer accounted for 14.4%, 9.9% and 7.2%, respectively of our total revenue for the respective periods. Our principal suppliers are licensors of advertising spaces to us on an exclusive basis. For FY2015, FY2016 and 1Q2017, fees paid to our five largest suppliers represented 55.7%, 55.0% and 47.3%, respectively, of our total cost of sales, and fees paid to our single largest supplier accounted for 14.6%, 14.2% and 13.4%, respectively, of our total cost of sales in the respective periods. Please see pages 99 to 112 for details.

OUR STRENGTHS

We believe we possess the following competitive strengths:

- Leading position in the minibus advertising market in Hong Kong;
- Exclusive advertising spaces with wide coverage in Hong Kong;
- Effective and flexible out-of-home advertising services;
- Loyal and diverse base of customers; and
- Experienced and dedicated management with proven track record.

Please see pages 81 to 84 for details.

OUR STRATEGIES

We intend to pursue the following strategies:

- Increase the coverage of our minibus advertising network and media;
- Expand into other transportation advertising services;
- Expand our healthcare related advertising platform; and
- Enhance our information management system.

Please see pages 84 to 91 for details.

OUR SHAREHOLDERS

Immediately before the Placing and the Capitalisation Issue, our Company is owned (i) as to 51.6% by BVI-Chau, which is wholly owned by Ms. Chau, our Controlling Shareholder; (ii) as to 27.0% by AL Capital, which is wholly owned by Mr. Anthony Lau; (iii) as to 17.4% by BVI-da Silva, which is wholly owned by Mr. da Silva; (iv) as to 2.0% by Mr. Yeung; and (v) as to 2.0% by Mr. Yau. Immediately after the completion of the Placing, our Company will be owned (i) as to 38.70% by BVI-Chau, which is wholly owned by Ms. Chau, our Controlling Shareholder; (ii) as to 20.25% by AL Capital, which is wholly owned by Mr. Anthony Lau; (iii) as to 13.05% by BVI-da Silva, which is wholly owned by Mr. da Silva; (iv) as to 1.50% by Mr. Yeung; and (v) as to 1.50% by Mr. Yau. For details of the background of Mr. Anthony Lau, Ms. Chau, Mr. da Silva, Mr. Yeung and Mr. Yau, please see pages 72, 74, 130, 133 and 142.

PRE-IPO INVESTMENT

On 23 March 2016, Mr. Yeung and Mr. Yau acquired shares in MSL from Ms. Chau based on arm's length negotiations and with reference to the then net asset value of MSL. As a result, Mr. Yeung and Mr. Yau each hold 200 shares in MSL, each representing 2.0% equity interest in MSL. Immediately following the Placing and the Capitalisation Issue, Mr. Yeung and Mr. Yau will each hold 10,800,000 Shares, each representing 1.5% of the issued share capital of our Company. Please see pages 72 to 74 for details.

SUMMARY FINANCIAL INFORMATION AND OPERATING DATA

Key Income Statement Information

The following table summarises our combined results for the Track Record Period, details of which are set out in Appendix I.

	Year ended 31 March		**Three months ended 30 June**	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	49,130	55,824	12,750	14,787
Cost of sales	(24,243)	(29,269)	(6,260)	(7,946)
Gross profit	24,887	26,555	6,490	6,841
Other income and gains/(losses), net	1,579	2,025	547	430
Selling expenses	(4,444)	(4,742)	(1,197)	(1,317)
Administrative expenses	(6,935)	(6,100)	(1,664)	(1,443)
Listing expenses	—	—	—	(4,799)
Other operating expenses	(1,100)	(917)	(275)	—
Finance costs	(164)	(90)	(30)	(12)
Profit/(loss) before income tax	13,823	16,731	3,871	(300)*
Income tax expense	(2,164)	(2,535)	(570)	(676)
Profit/(loss) for the year/period	11,659	14,196	3,301	(976)*
Profit margins:				
Gross profit margin (%)	50.7%	47.6%	50.9%	46.3%
Net profit margin (%)	23.7%	25.4%	25.9%	(6.6)%*

* Before deducting listing expenses of HK$4.8 million incurred for 1Q2017, our profit before income tax expense and profit for the period would amount to HK$4.5 million and HK$3.8 million, respectively, and net profit margin would be 25.9% for 1Q2017.

During the Track Record Period, we achieved business growth mainly by securing more exclusive advertising spaces from our licensors, which enabled us to generate more advertising income from our customers, which comprise intermediaries and end-users. Our revenue increased from HK$49.1 million for FY2015 to HK$55.8 million for FY2016, and increased from HK$12.8 million for 1Q2016 to HK$14.8 million for 1Q2017. The main driver for our revenue growth came from minibus advertising, which represented 67.3%, 73.9% and 71.5% of our total revenue for FY2015, FY2016 and 1Q2017, respectively. Revenue generated from minibus advertising increased from HK$33.1 million for FY2015 to HK$41.3 million for FY2016, and increased from HK$9.5 million for 1Q2016 to HK$10.6 million for 1Q2017. Given our leading position in the minibus advertising market in Hong Kong, we were able to secure more minibus routes from our exclusive licensors in 2016 as compared to 2015, which enabled us to expand our advertising space coverage and offer our customers a wider range of advertising spaces in different locations at competitive pricing based on their occupancy rates.

Our gross profit margins for FY2016 (as compared to FY2015) and for 1Q2017 (as compared to 1Q2016) decreased as we incurred a gross loss from our health and beauty retail store advertising segment for FY2016 and for 1Q2017 mainly as a result of an increase in license fees paid/payable to the health and beauty retail store operator during the year/period. Despite the decrease in our gross profit margin, our net profit margin remained relatively stable at 23.7% and 25.4% for FY2015 and FY2016, respectively, and 25.9% and 25.9% (before deducting listing expenses) for 1Q2016 and 1Q2017, respectively. Please see pages 160 to 178 for further information.

Key Balance Sheet Information

	As at 31 March		As at 30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment	409	296	254
Current assets			
Available-for-sale financial assets	8,301	3,803	2,228
Trade receivables	4,708	5,306	4,798
Deposits, prepayments and other receivables	3,381	4,044	4,671
Amounts due from directors	1,877	1,786	2,485
Pledged bank deposit	2,696	468	468
Cash and bank balances	21,946	26,305	28,314
Current liabilities			
Trade payables	1,288	1,127	663
Accruals, deposits received and other payables	15,410	10,846	13,160
Bank borrowings	2,454	1,017	804
Amount due to a director	184	—	—
Tax payable	1,464	352	1,028
Net current assets	22,109	28,370	27,309

Selected Cash Flow Items

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Net cash generated from operating activities	7,620	11,721	5,265	472
Net cash generated from/(used in) investing activities	1,263	7,404	(999)	1,762
Net cash used in financing activities	(2,559)	(15,367)	(5,699)	(225)
Net increase/(decrease) in cash and cash equivalents	6,324	3,758	(1,433)	2,009
Cash and cash equivalent at beginning of the year/period	15,320	21,644	21,644	25,402
Cash and cash equivalents at end of the year/period	21,644	25,402	20,211	27,411
Operating cash flow before working capital changes	13,367	15,630	3,625	(560)*

* Before deducting listing expenses of HK$4.8 million incurred for 1Q2017, our profit before income tax expense for the period would amount to HK$4.5 million. With the listing expenses incurred during that period excluded, the operating cashflow before working capital changes for 1Q2017 would amount to HK$4.2 million, which is comparable to the operating cashflow before working capital changes of HK$3.6 million for 1Q2016.

For FY2016, we recorded net cash inflow from operating activities of HK$11.7 million. Cash from operating activities was primarily from profit before income tax of HK$16.7 million adjusted by (i) investment income for FY2016 of HK$0.9 million; (ii) gain upon disposal of available-for-sale financial assets of HK$0.4 million; (iii) an increase in trade receivables of HK$0.6 million; (iv) an increase in deposits, prepayments and other receivables of HK$0.7 million; (v) an increase in accruals and other payables (excluding dividend payable) of HK$1.3 million; and (vi) income tax paid of HK$3.6 million.

For 1Q2017, we recorded net cash inflow from operating activities of HK$0.5 million. The decrease in net cash inflow for 1Q2017 as compared to 1Q2016 was primarily due to the payment of listing expenses in 1Q2017 of approximately HK$3.7 million. Cash from operating activities was primarily from loss before income tax of HK$0.3 million adjusted by (i) gain upon disposal of available-for-sale financial assets of HK$0.2 million; (ii) a decrease in trade receivables of HK$0.5 million; (iii) an increase in deposits, prepayments and other receivables of HK$0.6 million; (iv) an increase in amounts due from directors of HK$0.7 million; and (v) an increase in accruals and other payables of HK$2.3 million.

Please see pages 179 to 182 for further information.

Investment in available-for-sale financial assets

During the Track Record Period, we invested in certain listed debt securities and unlisted debt or equity portfolio funds, comprising high yield bonds and funds that were rated as non-investment grade, i.e. medium to high risk, amounting to HK$8.3 million, HK$3.8 million and HK$2.2 million as at 31 March 2015 and 2016 and 30 June 2016, respectively. Please see the section "Financial Information — Discussion of Key Balance

Sheet Items — Available-for-sale financial assets" for details of such investment, the section "Risk Factors — Our available-for-sale investments may materially and adversely affect our financial condition and results of operations." for the risk relating to our such investment, the section "Business — Internal Control and Risk Management — Investment — Investment Strategy" for our investment strategy during the Track Record Period and in the future, and the section "Business — Internal Control and Risk Management — Investment — Investment Policy" for our investment policy in the future.

Key Operating Indicators

The following table sets forth a breakdown of our revenue by the major types of advertising spaces during the Track Record Period:

Revenue

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000* (unaudited)	*%*	*HK$'000*	*%*
Transportation business								
Minibus	33,063	67.3	41,257	73.9	9,523	74.7	10,565	71.5
Taxi	181	0.4	627	1.1	76	0.6	780	5.3
Others[(Note)]	2,139	4.3	2,703	4.9	270	2.1	418	2.8
Healthcare business								
Hospitals and clinics	9,511	19.4	7,710	13.8	1,660	13.0	2,445	16.5
Health and beauty retail stores	4,236	8.6	3,527	6.3	1,221	9.6	579	3.9
Total	49,130	100.0	55,824	100.0	12,750	100.0	14,787	100.0

Note: Others include mainly revenue generated from advertising spaces in MTR stations and the provision of other miscellaneous advertising services.

The following table sets forth our gross profit and gross profit margin by the major types of advertising spaces during the Track Record Period:

Gross profit

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	Gross profit *HK$'000*	**Gross profit margin** *%*	**Gross profit** *HK$'000*	**Gross profit margin** *%*	**Gross profit** *HK$'000* (unaudited)	**Gross profit margin** *%*	**Gross profit** *HK$'000*	**Gross profit margin** *%*
Transportation business								
Minibus	15,703	47.5	21,589	52.3	4,848	50.9	5,323	50.4
Taxi	48	26.5	28	4.5	23	30.3	284	36.4
Others	1,257	58.8	746	27.6	(1)	(0.4)	112	26.8
Healthcare business								
Hospitals and clinics	6,570	69.1	4,964	64.4	1,074	64.7	1,631	66.7
Health and beauty retail stores	1,309	30.9	(772)	(21.9)	546	44.7	(509)	(87.9)
Total/Overall	**24,887**	**50.7**	**26,555**	**47.6**	**6,490**	**50.9**	**6,841**	**46.3**

The gross profit margin of our minibus advertising spaces increased in FY2016 as compared to FY2015 mainly as a result of the higher occupancy rate of (which meant higher demand for) our exclusive minibus advertising spaces in FY2016 as compared to FY2015, which allowed us to charge our customers a higher margin as well as an increase in our services on non-exclusive minibus advertising space. This segment's gross profit margin remained relatively stable in 1Q2017 as compared to 1Q2016. Our advertising spaces in health and beauty retail stores turned from recording a gross profit for FY2015 to incurring a gross loss for FY2016 and for 1Q2017 mainly as a result of the decrease in revenue from this segment and an increase in rental and license fees paid/payable to health and beauty retail stores during the year/period. Please see pages 168 to 170 for further information.

Cost of Sales

A significant portion of our cost of sales was attributable to license fees paid/payable to our licensors for licensing their advertising spaces.

The following table sets forth the various components of our cost of sales during the Track Record Period:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*% of revenue*	*HK$'000*	*% of revenue*	*HK$'000* (unaudited)	*% of revenue*	*HK$'000*	*% of revenue*
License fees	22,350	45.4	26,877	48.1	5,882	46.1	7,233	48.9
Artwork and production costs	1,557	3.2	1,947	3.5	228	1.8	658	4.4
Others*(Note)*	336	0.7	445	0.8	150	1.2	55	0.4
Total	24,243	49.3	29,269	52.4	6,260	49.1	7,946	53.7

Note: Others include mainly depreciation of advertising equipments.

License fees were the largest component during the Track Record Period and accounted for approximately 92.2%, 91.8% and 91.0% of our cost of sales for FY2015, FY2016 and 1Q2017, respectively.

Our major licensing agreements with public hospitals, clinics and health and beauty retail stores will expire in November 2017, August 2018 and August 2018, respectively, while the term of our licensing agreements with the licensors of minibus operators and taxi operators may vary with a licensing period of 1 to 4 years. For details, please see "Business — Suppliers — Principal terms of our major licensing agreements".

Key Financial Ratios

The following table sets forth our key financial ratios for the years/period or as at the dates indicated:

	As at/for the year ended 31 March		As at/for the three months ended 30 June
	2015	2016	2016
Return on equity	51.8%	49.5%	–14.2%[(1)]
Return on total assets	26.9%	33.8%	–9.0%[(1)]
Current ratio	2.1	3.1	2.7
Net debt to equity ratio	Net cash	Net cash	Net cash
Gearing ratio	10.9%	3.5%	2.9%

Notes:

(1) On an annualised basis.

(2) For the definition of each of the key financial ratios, please see "Financial Information — Key Financial Ratios".

Excluding listing expenses, which is non-recurring in natural, our return on equity would be approximately 55.5% for 1Q2017 on an annualised basis, and our return on total assets would be approximately 35.4% for 1Q2017 on an annualised basis. Please see pages 192 to 193 for further information.

ADVERTISING SPACE OCCUPANCY

Location	Type	For FY2015	For FY2016	For 1Q2017
		Occupancy (%)	Occupancy (%)	Occupancy (%)
Minibus*(Note 1)*	Vehicles	65%	79%	84%
Taxis	Vehicles	N/A	100%	100%
Public hospitals*(Note 2)*	Poster panels	45%	43%	53%
Public hospitals*(Note 3)*	Digital display panels	20%	38%	36%
Private hospitals*(Note 4)*	Poster panels	76%	91%	78%
Clinics	Video display screens	N/A	17%	20%
Health and beauty retail stores*(Note 5)*	Video display screens	40%	28%	40%

For the bases and assumptions applied for the calculation of occupancy rates, please see "Business — Advertising Spaces and Services — Advertising Space Occupancy".

Note:

(1) Our Directors are of the view that the increase in occupancy rate in 1Q2017 was mainly due to the increase the advertising demand due to the 2016 Legislative Council Election.

(2) The increase in occupancy rate in 1Q2017 was due to an increase of customer demand for poster panel's advertisement during the period.

(3) We were still in the process of installing digital panels in public hospitals in FY2015. Our Directors are of the view that the subsequent increase in demand in FY2016 and 1Q2017 was due to the increase in customers' willingness to place advertisements orders upon our completion of the installation of all digital panels in public hospitals network.

(4) We only have seven poster panels in this private hospital. Given the limited number of poster panels available, any fluctuation in customers' orders would result in a relatively material fluctuation in the occupancy rate.

(5) We had a renewal of contract with one of our major advertising space licensors in FY2016 and there was a significant increase in the minimum guaranteed license fee in the renewed contract. We had increased the price of these advertising spaces accordingly to our customers. Our Directors believe that the drop in revenue in FY2016 was due to such adjustment in price. In 1Q2017, we saw an increase in occupancy rate which we believe was a result of our subsequent lowering of the price we charged to our customers.

RECENT DEVELOPMENT

Our Directors confirm that, save for the dividend of HK$10.0 million declared on 19 August 2016 and paid by MSL on 16 December 2016, there has been no material adverse change in the financial or trading position of the Group since 30 June 2016, being the date on which the latest audited combined financial statements of the Group were made up and there is no event since 30 June 2016 which would materially affect the results shown in the Accountant's Report set out in Appendix I to this prospectus, to the date of this prospectus. As far as our Directors are aware, there was no material change in the general economic or market conditions in Hong Kong which would have a material and adverse impact on our business operation or financial condition since 30 June 2016. We expect that the Listing expenses as disclosed in the paragraph "Listing Expenses" below will materially affect our results for the year ending 31 March 2017.

USE OF PROCEEDS

We intend to use the net proceeds from the Placing (based on the Placing Price of HK$0.25, the mid-point of the Placing Price range) for the following purposes:

	From the Listing Date to 31 March 2017	For the six months ending 30 September 2017	For the six months ending 31 March 2018	For the six months ending 30 September 2018	Total	Approximate percentage of net proceeds
			HK$ million			(%)
Expand our coverage in the minibus media advertising network	4.6	4.1	5.9	3.8	18.4	69.7
Expand our coverage in other transportation advertising services	1.5	1.9	1.3	0.1	4.8	18.2
Expand our coverage in the healthcare-related advertising platform	—	—	1.6	1.0	2.6	9.8
Enhancing our information management system	—	—	0.1	0.5	0.6	2.3
Total:	6.1	6.0	8.9	5.4	26.4	100.0

Please see pages 198 to 205 for further information.

REASONS FOR THE LISTING

We consider that the net proceeds from the Placing will enable us to implement our business strategies, by providing access to the capital market for raising funds both at the time of the Listing and in the future. As set out in "Business — Our Strategies" and "Future Plans and Use of Proceeds — Implementation Plans", it is our strategy to diversify and increase the coverage of our advertising network. It is our aim to further penetrate into the market by obtaining exclusive licences to advertising spaces on minibuses and taxis, as well as health check service providers. We also intend to obtain non-exclusive licences to advertising spaces on trucks and vans. Our Directors believe that, and in line with their industry understanding, it is usual for advertising space licensors to require their licensees to provide a minimum or guaranteed licence fee in return for the granting of an exclusive right to their licensees to use the advertising spaces in subject. Our Directors see that exclusivity right to sufficient amount of advertising spaces as a vital factor to the continuing growth of our Group and has also in the past, distinguished our Group from other competitors in the market.

We believe that securing exclusive advertising spaces have the following advantages: (i) we believe that the large number of exclusive advertising spaces will provide us with the flexibility of providing a range of advertising spaces and packages and enable us to adopt effective pricing according to their occupancy rate; (ii) our large number of long-term advertising spaces provide more choices for our customers targeting different segments of target audience and consumers with advertising campaigns of different timeframe; and (iii) the exclusive advertising spaces which we have licensed provide a significant barrier for our competitors as they will not be able to provide those advertising spaces in the relevant platforms or locations. Given our plan to further expand the minibuses, taxis and health check service providers market under exclusive licensee arrangements, we require a relatively high amount of upfront payment to be made to our suppliers, without which, we may not be able to secure the exclusivity right under these arrangements.

The total amount of funding needed for implementation of our strategy to secure more exclusive advertising spaces is approximately HK$33.5 million. Given our relatively small scale of business, it is difficult for us to obtain the required funding through bank borrowings or other financing options, and this currently limits our ability to expand our business. Based on our experience, most banks require collateral, either in the form of cash or immovable assets such as property. As we do not hold any property available for collateral, it has been difficult for us to secure bank borrowings, without the support by the Controlling Shareholders and on terms which are favourable to us. It is currently expected that upon completion of the Placing, our Company with its listing status will be able to seek bank financing under more favourable terms to finance our future business needs. After considering the benefit of listing, which would (i) enable us to implement our business strategies; (ii) provide us with access to the capital market for fund raising at the time of Listing and in the future; (iii) enhance our corporate profile and market reputation and reinforce our brand awareness and image amongst our existing and potential customers; and (iv) enhance our credibility with our existing and potential business partners for business growth and strengthen our competitiveness in the market, our Directors consider that fund raising through listing is the most appropriate means for us to finance the expansion of our business as compared with other financing options such as bank borrowings.

We believe that a public listing status will also enhance our corporate profile and assist in the promotion and reinforcement of our corporate and brand recognition and image and our market reputation, which will further strengthen our market position. We believe that a public listing status could also attract potential customers, enhance our credibility with our existing and potential business partners and assist us in securing new exclusive advertising spaces from advertising space owners with licensing agreements which are generally on a long-term basis for over one year with provisions for guaranteed licensing fees.

PLACING STATISTICS

The following unaudited pro forma adjusted net tangible assets attributable to owners of our Company as at 30 June 2016 is based on the audited combined net tangible assets attributable to owners of our Company as at 30 June 2016 as extracted from the Accountant's Report in Appendix I and adjusted as follows:

	Combined net tangible assets attributable to owners of our Company *(Note 1)*	**Estimated net proceeds from the Placing** *(Note 2)*	**Unaudited pro forma adjusted net tangible assets attributable to owners of our Company**	**Unaudited pro forma adjusted net tangible assets per Share** *(Note 3)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
Based on the Placing Price of HK$0.23 per Share	27,563	27,788	55,351	0.08
Based on the Placing Price of HK$0.27 per Share	27,563	34,664	62,227	0.09

Notes: Please see page II-2 for Notes (1) to (3) above. Taking into account the declaration of dividends of HK$10.0 million on 19 August 2016, the unaudited pro forma adjusted net tangible assets per Share would be HK$0.06 (based on the Placing Price of HK$0.23 per Share) and HK$0.07 (based on the Placing Price of HK$0.27 per Share).

LISTING EXPENSES

The total listing expenses to be borne by us are estimated to be approximately HK$18.6 million (assuming the Placing Price of HK$0.25 per Placing Share, being the mid-point of the indicative Placing Price range). For 1Q2017, we recognised listing expenses of approximately HK$4.8 million. We expect to further incur listing expenses of approximately HK$13.8 million, among which approximately HK$8.0 million is expected to be recognised as our expenses and the remaining amount is expected to be charged to equity upon the Listing. Such expenses are expected to be charged, and to materially affect our results for the year ending 31 March 2017.

As such, our financial results for the year ending 31 March 2017 will be affected by the non-recurring expenses in relation to the Listing.

DIVIDENDS

We declared and paid dividends of HK$8.0 million and HK$8.0 million for FY2015 and FY2016, respectively. We have declared an interim dividend of HK$10.0 million on 19 August 2016, which was paid on 16 December 2016. We currently do not have a fixed dividend policy. The declaration and payment of future dividends will be subject to our Directors' discretion and will depend on our financial condition and other factors. Please see page 196 for further information.

RISK FACTORS

There are risks relating to an investment in the Placing Shares, including some of the major risks below. You should read the entire "Risk Factors" section starting on page 27 carefully.

- If our licenses for advertising spaces are terminated or if we fail to obtain additional advertising spaces, we may be unable to maintain or expand our operations. For FY2015, FY2016 and 1Q2017, revenue generated from the licenses with our largest licensor represented 24.4%, 27.1% and 20.5% of our revenue respectively. For FY2015, FY2016 and 1Q2017, our revenue generated from advertising spaces in public hospitals under an exclusive licence represented 18.1%, 12.7% and 14.9% of our revenue, and 25.7%, 17.3% and 22.0% of our gross profit, respectively, and the term of the license for advertising spaces in public hospitals will expire in November 2017. If we are unable to renew or retain our licenses with such major licensors, our business, results of operations and financial condition will be materially and adversely affected.
- If we are unable to maintain exclusivity over our advertising spaces, we may be unable to maintain or expand our operations.
- We may not be able to profitably operate under the license agreements, which are generally over one year, with respect to minibus advertising spaces for which we have to make guaranteed payments. A divergence in the supply of our advertising spaces to our customers and their demand may result in a decrease in revenue which will have a material adverse impact on our profits.
- Our operating results are affected by advertising trends. We may be unable to adapt to changing demands, preferences, market trends and technology needs for our customers to compete effectively.
- If our customers which are intermediaries are unable to maintain stable relationship with their respective customers, we may be unable to maintain or expand our operations.

COMPLIANCE WITH THE COMPETITION ORDINANCE

The Competition Ordinance came into effect during the Track Record Period and our Hong Kong Legal Counsel is of the view that our Group had complied with the Competition Ordinance during such period. Our Directors consider that the Competition Ordinance had no material impact on our business during the Track Record Period.

Our Directors confirm that, in the future, our Group will take preventive measures suggested by our Hong Kong Legal Counsel to ensure our Group complies with the Competition Ordinance. Our Directors also confirm that our Group will regularly seek legal advice on whether our Group's arrangements comply with the Competition Ordinance.

Please see page 117 for further information.

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus. Certain other terms are explained in the section headed "Glossary of Technical Terms"

"1Q2016"	the three months ended 30 June 2015
"1Q2017"	the three months ended 30 June 2016
"AAPCL"	A1 Advertising & Production Company Limited, a company incorporated in Hong Kong on 11 September 2008, which was an indirect wholly-owned subsidiary of our Company as at the Latest Practicable Date
"AL Capital"	AL Capital Limited, a company incorporated in Hong Kong on 3 June 2013, solely owned by Mr. Anthony Lau as at the Latest Practicable Date and our Substantial Shareholder
"Articles" or "Articles of Association"	the articles of association of our Company adopted on 19 December 2016, as amended from time to time, a summary of which is set out in Appendix III to this prospectus
"ASL"	Aristo Securities Limited, a corporation licensed by the SFC to carry on Type 1 (Dealing in Securities) regulated activities under the SFO, being a joint bookrunner and joint lead manager of the Listing
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"BOSCI"	BOSC International Company Limited, a corporation licensed by the SFC to carry on Type 1 (Dealing in securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities under the SFO, being the sole sponsor, a joint bookrunner and a joint lead manager of the Listing

"Business Day(s)"	any day(s) (excluding Saturday(s), Sunday(s) or public holidays) on which licensed banks in Hong Kong are generally open for normal banking business
"BVI"	the British Virgin Islands
"BVI-Chau"	Goldcore Global Investments Limited, a company incorporated in the BVI on 18 April 2016, solely owned by Ms. Chau as at the Latest Practicable Date and our Controlling Shareholder
"BVI-da Silva"	Silver Pro Investments Limited, a company incorporated in the BVI on 10 May 2016, solely owned by Mr. da Silva as at the Latest Practicable Date and our Substantial Shareholder
"BVI Inv Vehicles"	collectively, BVI-Chau and BVI-da Silva
"Capitalisation Issue"	the issue of 530,000,000 Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of our Company referred to in the paragraph headed "1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" in Appendix IV to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"CIC"	China Insights Consultancy Limited, a market research and consulting company, an Independent Third Party

"CIC Report"	a market research report in relation to, among other things, the Hong Kong out-of-home advertising industry commissioned by us and prepared and issued by CIC
"close associates(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Companies Law"	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
"Companies (WUMP) Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
"Company"	OOH Holdings Limited (奧傳思維控股有限公司), a company incorporated on 28 June 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it in the GEM Listing Rules and unless the context requires otherwise, refers to BVI-Chau and Ms. Chau collectively
"Corporate Governance Committee"	the corporate governance committee of the Board
"Deed of Indemnity"	the deed of indemnity dated 19 December 2016 entered into by our Controlling Shareholders (being BVI-Chau and Ms. Chau) in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries), particulars of which are set out in the paragraph headed "5. Estate Duty, Tax and Other Indemnities" in Appendix IV to this prospectus
"Director(s)"	the director(s) of our Company
"FSD"	the Fire Services Department of Hong Kong

"FY2015"	the financial year ended 31 March 2015
"FY2016"	the financial year ended 31 March 2016
"GEM"	the Growth Enterprise Market operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time
"GEM Website"	the Internet website at **www.hkgem.com** operated by the Stock Exchange for the purposes of GEM
"Golden Billion"	Golden Billion Investment Limited, a company incorporated in Hong Kong on 15 September 1987, owned as to 50% by Mr. Tony Lau and 50% by Golden Harvest as at the Latest Practicable Date
"Golden Harvest"	Golden Harvest Dyeing and Weaving Factory Limited, a company incorporated in Hong Kong on 21 August 1979, owned as to 84% by Mr. Tony Lau and 16% by an Independent Third Party as at the Latest Practicable Date
"Group", "our Group", "we", "our" and "us"	our Company and its subsidiaries at the relevant time or, where the context so requires in respect of the period before our Company became the holding company of the present subsidiaries, the present subsidiaries of our Company and the businesses carried on by such subsidiaries or (as the case may be) their predecessors
"HKAS"	the Hong Kong Accounting Standards
"HKFRS"	the Hong Kong Financial Reporting Standards issued by HKICPA
"HKICPA"	the Hong Kong Institute of Certified Public Accountants
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	the HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HK$" or "Hong Kong dollars"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited
"Hong Kong Legal Counsel"	Mr. Chan Chung, barrister-at-law and our legal counsel advising us on certain aspects of Hong Kong law
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) our Company or its connected persons
"Individual Owners"	collectively, Ms. Chau, Mr. Anthony Lau and Mr. da Silva, who were the indirect ultimate beneficial owners of 51.6%, 27.0% and 17.4% of the issued share capital in our Company as at the Latest Practicable Date
"INED(s)"	independent non-executive director(s) or, in the context of our Company, our independent non-executive Director(s)
"Issuing Mandate"	a general and unconditional mandate granted to our Directors by the passing by our Shareholders of resolutions referred to in the paragraph headed "1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" in Appendix IV to this prospectus, pursuant to which our Directors may exercise the power of our Company to allot, issue or otherwise deal in new Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of our Company as at the Listing Date
"Joint Bookrunners"	BOSCI and ASL
"Joint Lead Managers"	BOSCI and ASL
"Latest Practicable Date"	14 December 2016, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
"Listing"	listing of the Shares on GEM
"Listing Date"	the date, expected to be on or about 5 January 2017, on which dealings in our Shares first commence on GEM

"Listing Division"	the listing division of the Stock Exchange
"MedicSML"	Medic Savvy Media Limited (醫思維媒體有限公司), a company incorporated in Hong Kong on 27 June 2007, which was an indirect wholly-owned subsidiary of our Company as at the Latest Practicable Date
"Memorandum of Association"	the memorandum of association of our Company (as amended from time to time), adopted on 19 December 2016, a summary of which is set out in Appendix III to this prospectus
"MSBVI"	Media Savvy Marketing International Limited, a company incorporated on 5 July 2016 in the BVI, which was a direct wholly-owned subsidiary of our Company as at the Latest Practicable Date
"MSHML"	Media Savvy Healthcare Media Limited (傳廣通醫療媒體有限公司), a company incorporated in Hong Kong on 5 July 2007, which was an indirect wholly-owned subsidiary of our Company as at the Latest Practicable Date
"MSISML"	Media Savvy In-Store Media Limited (傳廣通藥房媒體有限公司), a company incorporated in Hong Kong on 24 February 2009, which was an indirect wholly-owned subsidiary of our Company as at the Latest Practicable Date
"MSL"	Media Savvy Limited (傳廣通媒體有限公司), a company incorporated in Hong Kong on 2 August 2004, which was an indirect wholly-owned subsidiary of our Company as at the Latest Practicable Date
"MSML"	Media Savvy Marketing Limited (傳廣通媒體推廣有限公司), a company incorporated in Hong Kong on 30 May 2006, which was an indirect wholly-owned subsidiary of our Company as at the Latest Practicable Date
"Ms. Chau" or "Chairlady"	Ms. Chau Wai Chu Irene (周慧珠女士), an executive Director, the chief executive officer of our Company and our Controlling Shareholder
"Ms. Cheung"	Ms. Cheung Kit Yi (張潔怡女士), an executive Director of our Company

"Mr. da Silva"	Mr. da Silva Antonio Marcus (施冠駒先生), a non-executive Director of our Company and our Substantial Shareholder
"Mr. Anthony Lau"	Mr. Lau Anthony Chi Sing (劉智誠先生), our Substantial Shareholder
"Mr. Tony Lau"	Mr. Lau Hon Chung Tony (劉漢松先生), the father of Mr. Anthony Lau
"Mr. Lean"	Mr. Lean Chun Wai (梁俊威先生), an executive Director of our Company
"Mr. Yau"	Mr. Yau Siu Yeung (游紹揚先生), our Shareholder and the company secretary of our Company
"Mr. Yeung"	Mr. Yeung Chung Hang Patrick (楊頌恆先生), our Shareholder
"Mr. Yum"	Mr. Yum Vincent (任偉成先生), the son of Ms. Chau
"MTR"	mass transit railway, the metro railway system in Hong Kong
"Nomination Committee"	the nomination committee of the Board
"Placing"	the conditional placing of the Placing Shares by the Underwriters on behalf of our Company for cash at the Placing Price as described in the section headed "Structure and Conditions of the Placing" in this prospectus
"Placing Price"	the final price for each Placing Share (excluding brokerage, Stock Exchange trading fee and SFC transaction levy), which is currently expected to be not more than HK$0.27 and not less than HK$0.23, such price to be determined on or before the Price Determination Date
"Placing Share"	the 180,000,000 new Shares being offered by our Company at the Placing Price for subscription pursuant to the Placing, subject to the terms and conditions as described in the section headed "Structure and Conditions of the Placing" in this prospectus

"PRC"	the People's Republic of China, which for the purpose of this prospectus and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Predecessor Companies Ordinance"	the predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time before the commencement date of the Companies Ordinance on 3 March 2014
"Price Determination Agreement"	the agreement to be entered into between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriter(s)) on or before the Price Determination Date to record and fix the Placing Price
"Price Determination Date"	the date, expected to be on 30 December 2016 (or such later date as agreed between our Company and the Joint Bookrunner) on which the Placing Price will be fixed for the purposes of the Placing
"Remuneration Committee"	the remuneration committee of the Board
"Reorganisation"	the corporate reorganisation of our Group in preparation for the Listing, details of which are set out in the section headed "History, Development and Reorganisation" of this prospectus
"Repurchase Mandate"	a general and unconditional mandate granted to our Directors by the passing by our Shareholders' resolutions referred to in the paragraph headed "1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" in Appendix IV to this prospectus, pursuant to which our Directors may exercise the power of our Company to repurchase Shares the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital of our Company in issue as at the Listing Date
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) having a par value of HK$0.01 each in the share capital of our Company

"Shareholder(s)"	holder(s) of Shares
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on 19 December 2016, the principal terms of which are summarised in the paragraph headed "4. Share Option Scheme" in Appendix IV to this prospectus
"Sole Sponsor" or "Sponsor"	BOSCI
"sq.ft"	square feet
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the GEM Listing Rules, unless the context otherwise requires
"Substantial Shareholder(s)"	has the meaning ascribed to it in the GEM Listing Rules and details of our Substantial Shareholders are set out in the section headed "Substantial Shareholders" in this prospectus
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs published by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the financial period comprising the two financial years ended 31 March 2016 and three months ended 30 June 2016
"Underwriter(s)"	the underwriter(s) of the Placing listed in the section headed "Underwriting — Underwriters" in this prospectus
"Underwriting Agreement"	the conditional underwriting agreement dated 22 December 2016 entered into among our Company, our Controlling Shareholders, Mr. da Silva, BVI-da Silva, the executive Directors, the Joint Bookrunners and the Underwriters, particulars of which are set out in the section headed "Underwriting" in this prospectus
"United States" or "U.S."	the United States of America

"US$" or "US dollar(s)"	United States dollars, the lawful currency of the United States
"%"	per cent

In this prospectus, unless expressly stated or the context requires otherwise:

- *all data in this prospectus is as of the date of this prospectus;*
- *amounts and percentage figures, including share ownership and operating data in this prospectus, may have been subject to rounding adjustments. Where information is presented in thousands or millions, amounts of less than one thousand or one million, as the case may be, have been rounded to the nearest hundred or hundred thousand, respectively, and amounts presented as percentages have been rounded to the nearest tenth of a percent. Accordingly, totals of rows or columns of numbers in tables may not be equal to the apparent total of the individual items;*
- *percentage shareholding of our Company upon or after the completion of Placing and the Capitalisation Issue represents percentage shareholding calculated on the basis without taking into account any Shares which may be allotted and issued upon any exercise of the options which have been or may be granted under the Share Option Scheme; and*
- *if there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail.*

This glossary contains certain explanations and other terms used in this prospectus in connection with our Group and/or our business. The terminology and their meanings may not correspond to standard industry meanings or usage of those terms.

"CAGR"	compound annual growth rate
"cost per impression"	the rate that an advertiser has agreed to pay per 1,000 views of a particular advertisement
"digital display panel"	digital display screen or panel which show text, graphics, video and/or audio delivering promotional advertisements to customers
"GDP"	gross domestic product
"graphic production"	the graphic layout and artwork production services carried out prior to the printing of the image or design
"LCD"	liquid crystal display
"LED"	light-emitting diode technology used for lighting displays
"light box display"	an advertising fixture consisting of backlit, translucent display, often mounted on a wall
"media box"	digital box used for playing audio and/or video contents
"out-of-home advertising"	the use of advertising mediums to reach customers when they are outside home. Major out-of-home advertising include billboards (e.g. posters and bulletins), street furniture, transit (minibuses, taxis, buses, airports and subway) and other places (e.g. cinemas and shopping malls) to promote business, products and/or services and includes digital and traditional (printing) out-of-home formats
"reach frequency"	the average number of times an individual notices an out-of-house advertising message during a defined period of time

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. The forward-looking statements are contained principally in the sections headed "Summary", "Risk Factors", "Industry Overview", "Business", "Financial Information" and "Future Plans and Use of Proceeds" in this prospectus. These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under the section headed "Risk Factors" in this prospectus, which may cause our actual results, performance or achievements to be materially different from performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business strategies and operating plans;
- our capital expenditure and expansion plans;
- our ability to identify and successfully take advantage of new business development opportunities;
- our dividend policy;
- our profit estimate and other prospective financial information.

The words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "project", "seek", "will", "would" and the negative of these terms and other similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of uncertainties and factors, including but not limited to:

- any changes in the laws, rules and regulations relating to any aspect of our business or operations;
- general economic, market and business conditions;
- inflationary pressures or changes or volatility in interest rates or other rates or prices;
- various business opportunities that we may pursue; and
- the risk factors discussed in this prospectus as well as other factors beyond our control.

Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set forth in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this prospectus.

Prospective investors should consider carefully all the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to our Company. The occurrence of any of the following events may have a material adverse effect on our business, results of operations, financial conditions and prospects. The trading price of the Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

If our license agreements for advertising spaces are terminated or not renewed or if we fail to obtain additional advertising spaces, we may be unable to maintain or expand our operations.

Our business depends largely upon our ability to provide advertising spaces to our customers. This, in turn, requires that we retain and renew our existing licenses and obtain new licenses for advertising spaces from the relevant licensors. Our retention and renewal of these licenses depends on our relationship with the licensors and our performance under the license arrangements, some of which provide for license fees which vary with our revenue, as well as the results of bidding processes for new or existing licenses.

We cannot assure you that we will be able to retain or renew our existing licenses or obtain new licenses on exclusive or satisfactory terms, or at all. In addition, we cannot assure you that we will be able to secure new or existing licenses through bidding processes. In particular, the licenses for advertising spaces on minibuses are significant for our business. For FY2015, FY2016 and 1Q2017, revenue generated from the license with our largest licensor for the respective period represented 24.4%, 27.1% and 20.5% of our revenue, respectively. For FY2015, FY2016 and 1Q2017, our revenue generated from advertising spaces in public hospitals under an exclusive licence amounted to HK$8.9 million, HK$7.1 million and HK$2.2 million, representing 18.1%, 12.7% and 14.9% of our revenue, and the gross profit for such advertising spaces was HK$6.4 million, HK$4.6 million and HK$1.5 million, representing 25.7%, 17.3% and 22.0% of our gross profit, respectively. The term of our license for public hospital advertising spaces will expire in November 2017. If we are unable to renew or retain our licenses with such major licensors, our business, results of operations and financial condition will be materially and adversely affected.

If we fail to retain existing or secure new licenses for whatever reason, or if we are unable to effectively expand our network, our advertiser customers may decide not to engage us, which would have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, our ability to obtain additional licenses will depend in part on our reputation as an advertising service provider and the success of our existing operations. Advertising space owners may choose not to license their spaces to us if they believe or perceive that our current operations do not generate sufficient revenue or are otherwise not effective for whatever reason. Advertising space owners that we have not previously worked with may decide not to grant us licenses if they believe we will not effectively manage their advertising spaces. If these advertising space owners do not license their spaces to us, we cannot assure you that we will be able to carry out or expand our business, and our results of operations and financial condition may be materially and adversely affected.

Furthermore, we cannot assure you that our licenses will not be terminated or suspended, whether with or without justification. The termination or suspension of our licenses may have a material adverse effect on our business, results of operations and financial condition.

If we are unable to maintain exclusivity for our advertising spaces, we may be unable to maintain or expand our operations.

The scope of the exclusivity provisions for our advertising spaces varies from contract to contract. These exclusivity provisions may, for example, limit the scope of our exclusivity to specific minibus routes. We cannot assure you that we will be able to retain these exclusive licenses, with or without exclusivity provisions, upon their expiration. If we were to lose exclusivity, in particular with minibus lines, which represent a major part of our advertising spaces, we may lose market share if our advertiser customers decide to place their advertisements with our competitors or otherwise decrease their spending on our network.

As at 30 June 2016, we had exclusive licenses for advertising spaces on 752 minibuses, 18 hospitals, 23 clinics in Hong Kong and 192 health and beauty retail stores in Hong Kong and Macau. Renewal of these exclusive licenses may depend on the performance of our business. If our licensors believe or perceive that our operations do not, or will not, generate sufficient revenue, they may decide not to let us maintain exclusivity with respect to the licenses. If we are unable to successfully negotiate, obtain or renew our exclusive licenses, we may not be able to offer advertising spaces to our customers at our preferred rates or any at all. If any of the foregoing were to occur, our business, results of operations and financial condition may be materially and adversely affected.

We may not be able to profitably operate under the license agreements, which are generally over one year, with respect to minibus advertising spaces for which we have to make guaranteed payments. A divergence in the supply of our advertising spaces to our customers and their demand may result in a decrease in revenue which will have a material adverse impact on our profits.

Some of our license agreements provide for guaranteed payments of fees to the licensors. We paid a total of HK$10.8 million, HK$14.1 million and HK$3.9 million as minimum guaranteed payments to our licensors, representing 48.3%, 52.5% and 53.6% of our total license fees payable to our licensors, for FY2015, FY2016 and 1Q2017, respectively. Further details of our liability under these guarantees are set out in the Note 25 in Appendix I to this prospectus. Securing of advertising spaces may depend on our ability to guarantee higher revenues for the licensors than our competitors. A substantial part of our operating expenses consist of costs such as minimum guaranteed amounts and salaries which do not vary proportionately with the amount of sales we make. We have no corresponding fixed long-term revenue stream as our contracts with advertisers for periods greater than one year are fairly uncommon in the industry.

For details of the range and average duration of our Group's right to use advertising spaces and the range and average duration of the use we provide to our customers in FY2016, please see "Business — Comparison of duration of use for advertising spaces" in this Prospectus. Generally, we usually enter into a relatively long term agreement with our licensors to secure sufficient advertising spaces to offer to our customers and it is not common for our customers to enter into exact contract period with us which is able to cover the entire licence period we have with our licensors.

If our revenue from the relevant advertising spaces are lower than anticipated, we would nonetheless have to pay the licensors the guaranteed amount during the term of the agreement. In light of these guaranteed payment obligations, there can be no assurance that we will be able to profitably operate under these agreements. We may also face competitive pressure to increase our guarantee payment to licensors. This could have a material adverse effect on our business, financial condition and the results of our operations.

Our operating results are affected by advertising trends. We may be unable to adapt to changing demands, preferences, market trends and technology needs for our customers to compete effectively.

Our operating results are affected by trends in the advertising market. A reduction in demand for our advertising spaces could result from changes in trends in the advertising industry, including a preference for other forms of media, such as social media, internet, television, radio and printed media. Any reallocation of advertising expenditures to other available media by significant users of our advertising spaces could have a material adverse effect on our business, financial condition and results of operations.

We are principally engaged in the provision of advertising spaces and services to our customers which may include graphic production, advertisement logistics and installation and dismantling services for the implementation of our customer's advertising and marketing campaigns. Sometimes, we are only provided with abstract marketing ideas and we need to come up with the solutions to turn the ideas into actual advertisements. Given the subjective nature of the advertising business and the rapid change in the market trend, there is no assurance that our advertising services will continue to be able to capture, anticipate or respond timely to our customers' preference. If we fail to do so, our business, results of operations and financial condition could be materially affected.

As Hong Kong's out-of-home advertising has evolved to utilise more digital displays and many out-of-home advertisements are gradually integrating digital elements with printed visuals, our success will depend on our ability to adapt to rapidly changing technologies, to enhance quality of existing services and to develop and introduce a variety of new solutions to address our customers' changing demands. If we fail to keep pace with changing technologies and to introduce successful and well-accepted solutions for our existing customers or potential customers, our competitors may have a competitive advantage over us, which could have a material adverse effect on our business, results of operations and financial condition.

If our customers which are intermediaries are unable to maintain stable relationship with their respective customers, we may be unable to maintain or expand our operations.

Our major customers include intermediaries. Although we have established stable and long-term business relationships with our major advertising agency customers, we cannot assure you that our major intermediary customers will be able to maintain a stable and strong relationship with their respective current customers.

In the event that our major advertising agency customers are unable to maintain business relationships with their respective existing customers, our ability to secure advertising projects may therefore be materially and adversely impacted. We may lose business opportunities and market share if such customers decide to engage our competitors to provide advertising services, thereby affecting our business, financial performance and the sustainability of our business in the long run.

Our available-for-sale investments may materially and adversely affect our financial condition and results of operations.

During the Track Record Period, we invested in certain listed debt securities and unlisted debt or equity portfolio funds, comprising certain high yield bonds and funds that were rated as non-investment grade, i.e. medium to high risk, amounting to HK$8.3 million, HK$3.8 million and HK$2.2 million as at 31 March 2015, 31 March 2016 and 30 June 2016, respectively. For details of the investment, please see the section headed "Financial Information — Discussion of Key Balance Sheet Items — Available-for-sale financial assets". According to the accounting policies applicable to our Group, subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

Any impairment losses on our available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. For our available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. Such treatment of gain or loss may cause significant volatility in or materially and adversely affect our period-to-period earnings, financial condition and results of operations.

RISKS RELATING TO OUR INDUSTRY

Our business is highly related to the advertising industry which is sensitive to market trends and changes in economic, political and social conditions in Hong Kong.

Our performance and financial conditions depend on the state of economy in Hong Kong. Almost all of our revenue during the Track Record Period was attributable to the Hong Kong market. If there is a downturn in the economy of Hong Kong, our results of operations and financial position may be significantly and adversely affected. In addition to economic factors, social unrest or civil movements such as occupation activities may also affect the state of economy in Hong Kong and in such case, our operations and financial position may also be adversely affected.

Our business is highly related to the advertising industry as the demand for our services depends on advertising spending. The demand for advertising and the resulting procurement of services by our customers is particularly sensitive to changes in general economic conditions in Hong Kong and advertising spending typically decreases during periods of economic downturn.

Since almost all of our operations are located in Hong Kong with an insignificant amount of revenue generated from Macau, if there were to be a downturn in economic conditions in Hong Kong, it is likely that our revenue would be reduced, possibly by a significant amount. This could materially impact our results of operations, particularly in light of the guaranteed payments to be made by us under certain of our license arrangements.

Any change of Hong Kong's existing political environment may affect the stability of the economy in Hong Kong, thereby affecting our results of operations and financial positions. Any political and social instability in Hong Kong, if significant and prolonged, could also have a material adverse effect on our business, financial condition, results of operations and prospects.

Further, natural disasters, epidemics and other acts of God which are beyond our control may adversely affect local economies, infrastructure and livelihoods. Hong Kong is under the threat of flood, fire, or epidemics such as Severe Acute Respiratory Syndrome ("**SARS**"), Middle East Respiratory Syndrome ("**MERS**"), H5N1 avian flu, Ebola, as well as influenza caused by H7N9 and H3N2 or the human swine flu, also known as influenza A (H1N1) virus. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the economies in Hong Kong. A recurrence of SARS or an outbreak of any other epidemics in Hong Kong, such as the H5N1 avian flu, MERS or the human swine flu, could interrupt our operations or the services or operations of our suppliers and customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face keen competition in our industry and we may not be successful in competing against our competitors.

The out-of-home advertising industry in which we operate is mature. Competition may intensify and may further increase in the future. Increased competition may result in price reductions for our services, reduced margins and loss of our market share.

Our existing competitors may in the future achieve greater market acceptance and recognition and gain a greater market share. It is also possible that potential competitors may emerge and acquire a significant market share. If existing or potential competitors develop or offer services that provide quality products and services that meet project specifications, good project management and technical expertise, or other advantages over those offered by us, our business, results of operations and financial conditions would be negatively affected.

Our existing and potential competitors may enjoy competitive advantages over us, such as longer operating history, greater brand recognition, larger customer base, and significantly greater financial, technical and marketing resources. We may not be able to compete successfully. If we fail to compete successfully, we could lose our potential customers. Therefore, there is no assurance that our strategies will remain competitive or that they will continue to be successful in the future. Increasing competition could result in pricing pressure and loss of our market share, either of which could have a material adverse effect on our financial conditions and results of operations.

Our business operation is subject to the risk of infringement of third party intellectual property rights.

As the advertisements and other materials are generally provided by our customers, there is no assurance that our business operations do not or will not inadvertently infringe the copyright or other intellectual property rights of third parties or become a party to such dispute. The advertisement materials provided by our customers to us may be subject to third party's copyright or other legal protections. The exact determination of the scope of copyright or other intellectual property rights can be very complex. In the event of any intellectual property rights disputes between our customers and the owners of the relevant intellectual property rights, we may become a party to such disputes. Intellectual property disputes may last for a significant period of time and require considerable personnel and financial resources. If the outcome of such a legal dispute is adverse to us, we could be ordered to pay substantial license fees, royalties and/or damages. Any infringement of third-party copyrights or other intellectual property rights or any lawsuits relating hereto could have a material adverse effect on our results of operations and reputation.

RISKS RELATING TO THE PLACING AND SHARE PERFORMANCE

Investors may experience difficulties in enforcing their shareholders' rights because our Company is incorporated in the Cayman Islands, and the protection to minority shareholders under the Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions.

Our Company is incorporated in the Cayman Islands and its affairs are governed by the Articles, the Companies Law and common law applicable in the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. A summary of the Cayman Islands law on protection of minority shareholders is set out in the sub-section headed "Cayman Islands Company Law — (f) Protection of minorities and shareholders' suits" in Appendix III to this prospectus.

There can be no assurance that we will declare or distribute any dividend in the future.

For FY2015 and FY2016, MSL declared an interim dividend of HK$8.0 million, HK$8.0 million, respectively; and has declared an interim dividend of HK$10.0 million on 19 August 2016. However, our historical dividend distribution should not be used as a reference or basis to determine the level of dividends that may be declared and paid by us in the future. A decision to declare and pay any dividends would require the recommendations of our Board and approval of our Shareholders or, in the case of interim dividends, the approval of our Board in accordance with the Articles. The decision to pay dividends will be reviewed in light of the factors such as the results of operations, financial conditions and position, and other factors deemed relevant. Any distributable profits that are not distributed in any given year may be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend. Our future declarations of dividends will be at the absolute discretion of our Board.

There has been no prior public market for the Shares.

There has been no prior public market for our Shares. If an active trading market for our Shares does not develop, the price of our Shares may be adversely affected and may decline below the Placing Price.

Prior to the Placing, there was no public market for our Shares. The Placing Price was the result of negotiations between us and the Joint Bookrunners (for themselves and on behalf of the Underwriters), and the Placing Price may differ significantly from the market price for the Shares following the Placing.

In addition, we cannot assure you that an active trading market will develop or be maintained following the completion of the Placing, or that the market price of our Shares will not decline below the Placing Price.

The liquidity and market price of our Shares following the Placing may be volatile.

The price and trading volume of our Shares may be highly volatile. Factors such as variations in our revenues, earnings, cash flows, new products/services/investments, changes in senior management and general economic conditions could cause the market price of our Shares to change substantially. Any such development may result in large and sudden changes in the volume and price at which our Shares will trade.

The Shareholders' interests in our Company may be diluted as a result of additional equity fund raising.

We may issue additional Shares to raise additional funds in the future to finance our business expansion. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (a) the shareholding percentage of those existing Shareholders may be reduced, and they may experience subsequent dilution, and/or (b) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders.

Sale or perceived sale of substantial amounts of the Shares in the public market after the Placing could adversely affect the prevailing market price of the Shares.

The Shares beneficially owned by our Controlling Shareholders are subject to certain lock-up periods under the GEM Listing Rules. There is no assurance that our Controlling Shareholders, whose interests may be different from those of other Shareholders, will not dispose of their Shares following the expiration of the lock-up periods. Sale of substantial amounts of the Shares in the public market, or the perception that such sale may occur, could adversely affect the prevailing market price of the Shares.

The interests of our Controlling Shareholders may not always coincide with the interests of our Company and those of other Shareholders. Should there be any conflict of interests, our Company or other Shareholders may be adversely affected as a result.

Upon completion of the Capitalisation Issue and the Placing (without taking into account of any Shares which may be allotted and issued upon the exercise of options that may be granted under the Share Option Scheme), our Controlling Shareholders will own, in aggregate, approximately 38.7% of the Shares in issue. The interests of our Controlling Shareholders may not always coincide with the best interests of other Shareholders. If the interests of any of our Controlling Shareholders conflict with the interests of other Shareholders, or if any of our Controlling Shareholders chooses to cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, our Company or those other Shareholders may be adversely affected as a result.

RISKS RELATING TO STATEMENTS MADE IN THIS PROSPECTUS AND FROM OTHER SOURCES

Certain statistics and facts in this prospectus are derived from various official government sources and publications or other sources and have not been independently verified.

This prospectus includes certain statistics and facts that are extracted from official government sources and publications or other sources. We believe that such statistics and facts are prepared by the relevant sources after having taken reasonable care. Whilst our Company believes that it is prudent for us to rely on such statistics and facts, there is no assurance that such statistics and facts are free from error or mistake. The statistics and facts from these sources have not been independently verified by our Company, our Directors, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, or any of their respective directors, affiliates or advisers or any other party involved in the Placing and no representation is given as to their accuracy and completeness.

Due to the possibility of flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics from official government publications referred to or contained in this prospectus may be inaccurate or may not be comparable to statistics produced for other economies and should not be relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such statistics or facts.

Forward-looking statements in this prospectus may prove inaccurate.

This prospectus contains certain forward-looking statements relating to the plans, objectives, expectations and intentions of our Directors. Such forward-looking statements are based on numerous assumptions as to the present and future business strategies of our Group and the development of the environment in which our Group operates. These statements involve known and unknown risks, uncertainties and other factors, which may cause the actual financial results, performance or achievements of our Group to be materially different from the anticipated financial results, performance or achievements of our Group expressed or implied by these statements. The actual financial results, performance or achievements of our Group may differ materially from those discussed in this prospectus.

We strongly caution you not to place any reliance on any information contained in press articles, media coverage and/or research analyst reports regarding us, our industry or the Placing.

There may be press articles, media coverage and/or research analyst reports regarding us, our industry or the Placing, which may include certain financial information, financial projections and other information about us that do not appear in this prospectus. We have not authorised the disclosure of any such information in the press, media or research analyst report. We do not accept any responsibility for any such press articles, media coverage or research analyst report or the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim it. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus 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 prospectus misleading.

PLACING SHARES ARE FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Placing which is sponsored by the Sole Sponsor and managed by the Joint Bookrunners. The Placing Shares will be fully underwritten by the Underwriters pursuant to the Underwriting Agreement. For further information about the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" of this prospectus.

DETERMINATION OF THE PLACING PRICE

The Placing Shares are being offered at the Placing Price which will be determined by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company at or before 5:00 p.m. on 30 December 2016, or such later date or time as may be agreed by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company. The Placing Price is currently expected to be not more than HK$0.27 and not less than HK$0.23. The Joint Bookrunners (for themselves and on behalf of the Underwriter(s)) may reduce the indicative Placing Price range stated in this prospectus at any time prior to the Price Determination Date. In such a case, a notice of the reduction of the indicative Placing Price range will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.ooh.com.hk**.

If the Joint Bookrunners (for themselves and on behalf of the Underwriter(s)) and our Company are unable to reach an agreement on the Placing Price at or before 5:00 p.m. on 30 December 2016, or such later date or time as may be agreed between the Joint Bookrunners (for itself and on behalf of the Underwriters) and our Company, the Placing will not become unconditional and will not proceed.

An announcement of the level of indication of interest in the Placing and the basis of allocation of the Placing Shares is expected to be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.ooh.com.hk** on or before 4 January 2017.

SELLING RESTRICTIONS

Each person acquiring the Placing Shares will be required to confirm or by his/her acquisition of the Placing Shares will be deemed to confirm that he/she is aware of the restrictions on the placing of the Placing Shares described in this prospectus and that he/she is not acquiring, and has not been offered, any Placing Shares in circumstances that contravene any such restrictions. Save as mentioned above, no action has been taken in any jurisdiction other than in Hong Kong to permit a placing or the general distribution of this prospectus. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in relation to the Placing in any jurisdiction or, in any circumstance in which such an offer or invitation is not authorised, or to any person to whom it is unlawful to make such an offer or invitation.

The distribution of this prospectus and the offering of the Placing Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws or any applicable rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities as an exemption therefrom.

Prospective investors for the Placing Shares should consult their financial advisers and take legal advice as appropriate, to inform themselves of, and to observe the applicable laws, rules and regulations of any relevant jurisdictions.

INFORMATION ON THE PLACING

The Placing Shares are offered for subscription solely on the basis of the information contained, and the representations made in this prospectus. No person is authorised in connection with the Placing to give any information, or to make any representation, not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or employees or any other persons involved in the Placing.

APPLICATION FOR LISTING ON GEM

Application has been made to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM.

Save as disclosed herein, no part of the share or loan capital of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or is proposed to be sought in the near future.

Under Section 44B(1) of the Companies (WUMP) Ordinance, any allotment or transfer made in respect of any placing of the Placing Shares will be void if permission for the listing of, and dealing in, the Shares on GEM is refused before the expiration of three weeks from the date of closing of the Placing or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

Only securities registered on the branch register of members of our Company kept in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the "minimum prescribed percentage" of 25% of the issued share capital of our Company in the hands of the public.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors for the Placing Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of the subscription for, holding, purchase, disposal of or dealing in our Shares or exercising their rights thereunder. It is emphasised that none of our Company, our Directors, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and their respective directors or employees or any other persons involved in the Placing accepts responsibility for any tax effects on, or liability of, holders of Shares resulting from the subscription for, holding, purchase, disposal of or dealing in the Shares.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM and our Company complies with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or on any other date HKSCC chooses.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for our Shares to be admitted into CCASS.

HONG KONG SHARE REGISTRAR AND STAMP DUTY

All the Shares will be registered on the register of members of our Company in Hong Kong to be maintained in Hong Kong by our Hong Kong Branch Share Registrar, Tricor Investor Services Limited. Dealings in the Shares registered on our Company's register of members maintained in Hong Kong will be subject to Hong Kong stamp duty. Dealings in the Shares registered on our principal register of members in the Cayman Islands will not be subject to Cayman Islands stamp duty unless our Company holds an interest in land in the Cayman Islands.

REGISTER OF MEMBERS

Our fully-paid Shares are freely transferable. The Shares may be registered on the principal register of members in the Cayman Islands or on the branch register of members of our Company in Hong Kong.

Our Company's principal register of members will be maintained by our principal share registrar, Codan Trust Company (Cayman) Limited, in the Cayman Islands and our Company's Hong Kong branch register of members will be maintained by our Hong Kong Branch Share Registrar in Hong Kong.

COMMENCEMENT OF DEALING IN THE SHARES

Dealing in the Shares on GEM is expected to commence on 5 January 2017 under the GEM stock code 8091. Shares will be traded in board lot of 10,000 Shares each.

Our Company will not issue any temporary document of title.

STRUCTURE AND CONDITIONS OF THE PLACING

Details of the structure and conditions of the Placing are set out in the section headed "Structure and Conditions of the Placing" of this prospectus.

LANGUAGE TRANSLATION

The English language version of this prospectus has been translated into the Chinese language and English and Chinese versions of this prospectus are being published separately. If there should be any inconsistency between the English and Chinese versions, the English version shall govern.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, totals of rows or columns of numbers in tables may not be equal to the apparent total individual items. When information is presented in thousands or millions of units, amounts may have been rounded up or down.

WEBSITE

The contents of any website mentioned in this prospectus do not form part of this prospectus.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Ms. CHAU Wai Chu Irene (周慧珠)	House 13, The Grandville 2 Lok Kwai Path Shatin, New Territories Hong Kong	Chinese
Ms. CHEUNG Kit Yi (張潔怡)	Room 1906, Pok On House Pok Hong Estate Shatin, New Territories Hong Kong	Chinese
Mr. LEAN Chun Wai (梁俊威)	Flat 5A, 4/F 208 Sai Yeung Choi South Street Mong Kok, Kowloon Hong Kong	Chinese
Non-executive Director		
Mr. DA SILVA Antonio Marcus (施冠駒)	Flat 4, Block E Goodview Garden 24 Stubbs Road Hong Kong	Chinese
Independent non-executive Directors		
Ms. AU Shui Ming Anna (區瑞明)	Flat 5, 12/F Block 46 Heng Fa Chuen Hong Kong	Australian
Mr. LIANG Man Kit Jerry (梁文傑)	10 Begonia Path Palm Springs Yuen Long New Territories Hong Kong	Chinese
Mr. HO Alfred Chak Wai (何澤威)	Flat B, 18/F, Tregunter Tower 3 14 Tregunter Path, Mid-levels Hong Kong	Chinese

Further information of our Directors are disclosed in the section headed "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE PLACING

Sole Sponsor	**BOSC International Company Limited** 34/F, Champion Tower 3 Garden Road, Hong Kong
Joint Bookrunners and Joint Lead Managers	**BOSC International Company Limited** 34/F, Champion Tower 3 Garden Road, Hong Kong **Aristo Securities Limited** Room 101, 1st Floor On Hong Commercial Building 145 Hennessy Road, Wanchai Hong Kong
Co-managers	**Halcyon Securities Limited** 11/F 8 Wyndham Street Central Hong Kong **Magusta Securities Limited** Room B, 28/F Entertainment Building 30 Queen's Road Central Hong Kong

	Zhaobangji International Capital Limited Unit 1&17, 19/F China Merchants Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong
	Gransing Securities Company Limited Room 806, Far East Consortium Building 121 Des Voeux Road Central Hong Kong
Legal advisers to our Company	*as to Hong Kong law* **Li & Partners** 22/F, World-Wide House Central, Hong Kong
	Mr. Chan Chung **Joseph W.Y. Tse, SC's Chambers** Room 4701, Far East Finance Center 16 Harcourt Road, Admiralty Hong Kong
	as to Cayman Islands law **Conyers Dill & Pearman** Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Legal adviser to the Sole Sponsor and the Underwriters	*as to Hong Kong law* **Deacons** 5/F, Alexandra House 18 Chater Road, Central Hong Kong
Auditor and reporting accountant	**BDO Limited** *Certified Public Accountants* 25/F, Wing On Centre 111 Connaught Road Central Hong Kong
Compliance adviser	**BOSC International Company Limited** 34/F, Champion Tower 3 Garden Road, Hong Kong

Registered office	Cricket Square Hutchins Drive, PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Suite A5, 9/F, Jumbo Industrial Building 189 Wai Yip Street Kwun Tong, Kowloon Hong Kong
Company's website address	www.ooh.com.hk *(Note: information on this website does not form part of this prospectus)*
Company Secretary	Mr. YAU Siu Yeung *(Solicitor of the High Court of Hong Kong)* Unit B, 31/F, No. 95 Queensway, Admiralty, Hong Kong
Audit committee	Ms. AU Shui Ming Anna *(Chairman)* Mr. LIANG Man Kit Jerry Mr. HO Alfred Chak Wai
Remuneration committee	Ms. AU Shui Ming Anna *(Chairman)* Mr. LIANG Man Kit Jerry Ms. CHAU Wai Chu Irene
Nomination committee	Mr. HO Alfred Chak Wai *(Chairman)* Ms. AU Shui Ming Anna Ms. CHEUNG Kit Yi
Corporate Governance Committee	Mr. LIANG Man Kit Jerry *(Chairman)* Mr. HO Alfred Chak Wai Mr. DA SILVA Antonio Marcus

Authorised representatives	Ms. CHEUNG Kit Yi Suite A5, 9/F, Jumbo Industrial Building 189 Wai Yip Street Kwun Tong, Kowloon Hong Kong
	Mr. YAU Siu Yeung Unit B, 31/F, No. 95 Queensway, Admiralty, Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Hong Kong
	Nanyang Commercial Bank, Ltd. 151 Des Voeux Road Central Hong Kong
Principal share registrar and transfer office in Cayman Islands	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman KY1-1111, Cayman Islands
Hong Kong Branch Share Registrar	Tricor Investor Services Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong

This section sets forth summaries of the most significant laws and regulations applicable to our operations and businesses in Hong Kong.

Our operations are subject to the following laws and regulations in Hong Kong.

HONG KONG REGULATIONS

Our operations in Hong Kong are subject to regulations governing certain areas including, among others, installation of light box displays and occupiers liability.

Business Operations

In respect of the operations of our Group in Hong Kong, our Group is required to obtain business registration certificates issued by the Inland Revenue Department of the Hong Kong Government under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong).

Installation of Advertisement Light Box Displays

Our Group is responsible for the installation, maintenance and removal of the advertising spaces (including posters and light box displays) in Hong Kong. As a requirement under the Electricity (Wiring) Regulations (Chapter 406E of the Laws of Hong Kong), the installation and removal of spaces in relation to light box displays are done by registered contractors which are appointed by our Group.

Fire safety requirements

Under the requirements of the Fire Services Department of Hong Kong ("**FSD**"), light box displays should comply with certain safety requirements, which include, among others:

(i) not obstructing fire safety access points (e.g., roof exits or windows that may be opened), and guy wires that secure light box displays must not obstruct access to upper floors by fire services ladders; and

(ii) light box displays must be made of non-combustible material and must not have neon light tubing, electrical circuits or lamps on combustible material.

For the light box displays installed in the premises of the Hospital Authority, the approval from the FSD in relation to the fire safety regulations and complying with the fire safety requirements is the sole responsibility of the Hospital Authority as they obtain permission from the FSD before allowing our Company to install the light box displays at the designated locations throughout the hospitals.

Electricity supply and lights on advertisement light box displays

Certain light box displays managed by our Group are equipped with lighting effects. According to the Electricity Ordinance (Chapter 406 of the Laws of Hong Kong) and the Electricity (Wiring) Regulations (Chapter 406E of the Laws of Hong Kong), a sign that requires current-using equipment should comply with the electrical safety requirements under the Electricity (Wiring) Regulations of the Electricity Ordinance and technical guidelines under the Code of Practice for the Electricity (Wiring) Regulations. These include, among others, that:

(i) the electrical installation of the current-using sign must be undertaken by a registered electrical contractor or worker; and

(ii) the current-using equipment must be free from contact with inflammable materials and exposure to mechanical damage.

For the light box displays installed in the premises of the Hospital Authority, the approval from the Electrical and Mechanical Services Department of Hong Kong ("**EMSD**") in relation to the complying with the electrical safety requirements and regulations is the sole responsibility of the Hospital Authority as they obtain permission from the EMSD before allowing our Company to install the light box displays at the designated locations throughout the hospitals.

Exhibition of Advertisements on Lands in Hong Kong

The Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) and the Advertisements Regulation (Chapter 132B of the Laws of Hong Kong) ("**Advertisements Regulation**") regulate the exhibition of advertisements, decorations and signs on private and public land in Hong Kong.

Permission required for the display of bills or posters

Any person who displays or affixes a bill or poster:

(i) on private land without the written permission of the owner or occupier; or

(ii) on Hong Kong government land without the written permission of the Director of Lands or other relevant Hong Kong government authority

commits an offence and is liable to fines amounting to HK$10,000.

A "bill or poster" includes any sign, placard, board or notice but does not include any structure, apparatus or hoarding used for the display of a bill or poster. For the purpose of determining the party liable for displaying or affixing the bill or poster, any person who "uses" another to display or affix the bill or poster is treated as though he had personally done so. Although we do not install light box displays on our own but we arrange for construction under a third party contract, we would not be precluded from potential liability under this section.

The bill or poster must be maintained in a clean and tidy condition to the reasonable satisfaction of the Secretary for Food and Health of Hong Kong. A person who contravenes this section commits an offence and is liable to fines amounting to HK$10,000 and a daily fine of HK$300 if not rectified. Where a poster or bill is displayed without permission or is not maintained in a clean and tidy condition, the Secretary for Food and Health may remove the bill or poster and recover the cost of removal from the person displaying it.

Other Requirements Under the Advertisements Regulation

Our creative team may engage in the designing of the advertisements in some of our projects, while most of the advertisement designs are provided by our customers. Advertisement designs must go through our advertisement vetting procedures before display.

According to the Advertisements Regulation, an advertisement must not, among others:

(i) disfigure the natural beauty of scenery or affect injuriously the amenities of a locality; or

(ii) bear any neon, electric or light sign that is a source of serious fire. In such a case, the FSD will serve a notice on the person by or for whom the sign was erected and is maintained, requiring the removal of the sign.

A person who erects, exhibits or permits the erection of contravenes the above provisions and is liable to summary conviction to a fine at HK$2,000. If the order of removal of the advertisement is not complied with, a fine of HK$50 per day will be imposed on the person who is in default and to an imprisonment for 3 months.

Content Requirements of Advertisements

The Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong) ("**Content Ordinance**") controls articles which consist of or contain material that is obscene or indecent. This includes material that is violent, depraved or repulsive. The Content Ordinance stipulates that it is an offence to publicly display any indecent matter. A matter is indecent if by reason of indecency it is not suitable to be published to a juvenile (person under 18 years of age). Even if our Group is not responsible for designing the advertisement, the Content Ordinance provides that "any person causing or permitting the display to be made" commits an offence and is liable to a fine of HK$1,000,000 and to an imprisonment for 3 years. The advertisement designs submitted by the customers must go through our advertisement vetting procedures before display. For more details of the advertisement vetting procedure, please refer to the section headed "Business — Internal Control and Risk Management" in the prospectus.

COMPETITION

The Competition Ordinance (Chapter 619 of the Laws of Hong Kong) came into force on 14 December 2015. The Competition Ordinance prohibits certain restrictions on competition in Hong Kong by taking the form of two "conduct rules": (i) first conduct rule: prohibits anti-competitive agreements if the object or effect of the agreement, concerted practice or decision is to prevent, restrict or distort competition in Hong Kong; and (ii) second conduct rule: prohibits a business with substantial market power to abuse the power if the object or effect of the conduct is to prevent, restrict or distort competition in Hong Kong. Furthermore, the Competition Ordinance has a merger rule which prohibits anti-competitive mergers and acquisitions that have or are likely to have the effect of substantially lessening competition in Hong Kong. Currently, the merger rule only applies to mergers involving carrier licence holders within the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong).

Although an exemption is available under the first conduct rule, where the combined turnover does not exceed HK$200 million in a calendar year, this exemption does not apply if the conduct involves serious anti-competitive conduct such as price fixing.

Under the exemptions to the second conduct rule, if the conduct engaged in by an undertaking does not exceed HK$40 million for the turnover period, it is exempted from the second conduct rule. Penalties for infringement that may be imposed by the competition tribunal includes, among others, pecuniary penalty (up to 10% of the turnover of the companies involved for up to three years in which the contravention occurs), financial penalty, disqualification order against a director and prohibition order.

Despite our Group being able to secure more minibus routes from our exclusive licensors in 2016 as compared to 2015 which enabled our Group to expand our advertising space coverage and offer our customers a wider range of advertising spaces, our Hong Kong Legal Counsel is of the view that our Group did not abuse its substantial market power by entering into any agreement nor engage in any conduct with an object or effect to prevent, restrict or distort competition in Hong Kong.

This section contains certain statistics, industry data or other information which have been derived from government or other public sources, which we believe are appropriate sources for such information. We have taken reasonable care in extracting and reproducing such information and we have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by us, the Sole Sponsor, the Underwriters, any of their respective directors, officers, affiliates, or any other party involved in the Placing. No representation is given as to its accuracy, completeness or fairness; and such information should not be unduly relied upon.

REPORT COMMISSIONED FROM CIC

In connection with the Listing, we have commissioned China Insights Consultancy, an Independent Third Party, to analyse and report on the out-of-home advertising market in Hong Kong for a fee of HK$400,000. CIC is a consulting firm founded in Hong Kong with offices in Beijing and Shanghai, the PRC. CIC provides market research and analysis in industries including industrial healthcare, consumer goods, transportation, agriculture, internet and finance. In preparing the CIC Report, CIC has undertaken both primary and secondary research through various resources. Primary research includes interviewing key industry experts and leading industry participants in Hong Kong's out-of-home advertising market and minibus advertising market. Secondary research includes analysis of data from various publicly available data sources, including Transport Department of Hong Kong. Except as otherwise stated, all the data and forecasts in this section are derived from the CIC Report.

The market projections in the CIC Report are based on the following key assumptions: (i) the Hong Kong's economy is likely to maintain a sustainable growth in the next decade; and (ii) related industry key drivers are likely to drive the growth of Hong Kong's out-of-home advertising market and minibus advertising market in the forecast period, such as rising popularity of out-of-home advertising, increasing population density and time spent by people outside of their homes in Hong Kong, and the shift from red minibuses to green minibuses; and (iii) there is no force majeure event or industry regulation in which the market may be affected dramatically or fundamentally. The bases and assumptions for the projections in the CIC Report include the following: (i) the economies of Hong Kong are assumed to maintain steady growth across the forecast period; and (ii) it is assumed that there will not be any external shocks such as natural disasters or the wide outbreak of diseases to affect the advertising industry during the forecast period. The research conducted by CIC may be affected by the accuracy of the assumptions and choice of parameters as stated above.

OVERVIEW OF THE HONG KONG ECONOMY

From 2011 to 2015, the nominal GDP of Hong Kong increased steadily from HK$1,934.4 billion to HK$2,402.5 billion. This change in growth is mainly due to the stabilisation of global economy and Hong Kong's strong economic foundations.

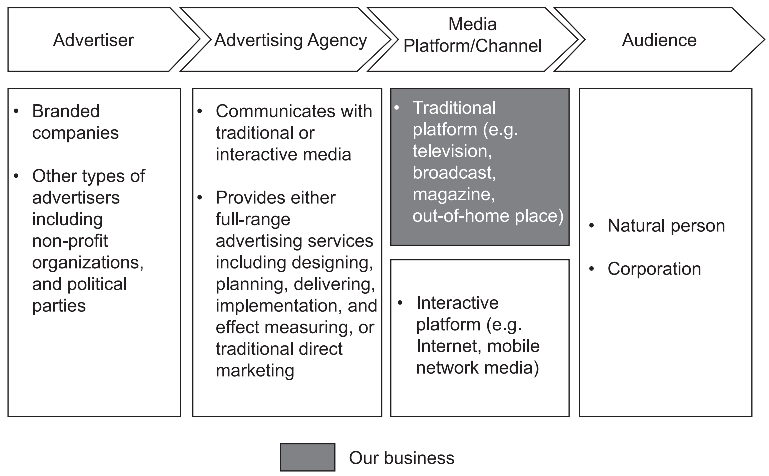
As announced in the 2016 Hong Kong Policy Address, the Hong Kong Government set up a long-term plan to strengthen its partnership with mainland China in pillar industries, promote new growth areas as well as upgrade human resources and infrastructure to improve productivity and competitiveness. Therefore, Hong Kong's nominal GDP growth is expected to continue to count on domestic demand underpinned by enhanced link with Mainland China. The value of GDP is forecasted to reach HK$3,019.0 billion by 2020, keeping a real GDP growth rate ranging from 2.2% to 3.0% from 2016 to 2020. According to the International Monetary Fund, Hong Kong's per capita GDP is expected to grow at a CAGR of 4.1% between 2016 and 2020, reaching HK$400,400 by 2020.

OVERVIEW OF THE HONG KONG ADVERTISING MARKET

Advertising is a kind of marketing solution aiming to acquaint consumers with specific products or brands through images, sounds, slogans, and videos. Advertisements assist advertisers in promoting and selling their products or services and maintaining their reputation. The major advertisers in Hong Kong include companies in retail, catering and e-commerce industries. The advertising market in Hong Kong can be divided into four segments by channel: out-of-home advertising, television and broadcast advertising, print media advertising and internet advertising.

Category	Characteristics
Out-of-home advertisement	● Channels of out-of-home advertisements include metro, airport, bus, minibus, taxi, buildings and facilities, etc., such as hospitals, clinics and retail stores ● Transportation media provides large amount of advertising spaces ● Pedestrians and commuter traffic provide extensive audience
Television and broadcast advertisement	● Television advertisement combines visual and audio elements, which is generally limited in length of time
Print media advertisement	● Print media advertisement includes newspapers, magazines and leaflets ● Print media advertisement's cost normally is lower than the cost of television and broadcast advertisement
Internet (digital) advertisement	● Internet (digital) advertisement includes social media websites, online search engines and mobile advertising ● Select appropriate information for various customers by tracking and analysing their preference ● Track and analyse audiences' performance by collecting appropriate information from various sources

The chart below illustrates the value chain of the advertising industry in Hong Kong.



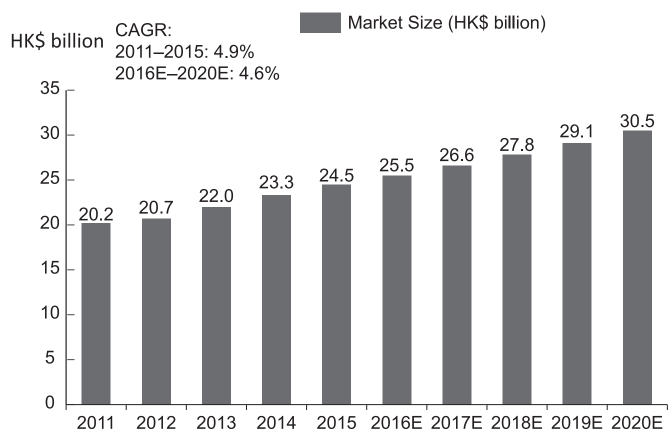
There are four major participants engaged in the advertising market: advertiser, advertising agency, advertising space provider, and audience. Advertisers may contract with intermediaries to form a complete advertising solution and then intermediaries will subcontract different creative agencies to facilitate advertisements for different advertising channels. Advertisers generally commission intermediaries to design, produce and roll out advertisement for selling products or services and promoting brand. Intermediaries communicate with advertisers and media platforms, and provide advertising planning, delivering and other services. In some cases, end-users have clear advertising plans and contract with advertising space provider directly.

Advertising space providers are commissioned by intermediaries and/or end-users to display advertisement to audiences. Advertising space providers include operators of traditional channels, such as television, broadcast, print media and out-of-home media, or their licensees or agents and operators of non-traditional channels, such as internet platform and mobile internet platform. Audiences are potential consumers of the advertisers.

Market Size of the Hong Kong Advertising Market

The size of Hong Kong's advertising market, as measured by revenue, grew at a CAGR of 4.9% from HK$20.2 billion in 2011 to HK$24.5 billion in 2015. It is expected to grow at a CAGR of approximately 4.6%, from HK$25.5 billion in 2016, to HK$30.5 billion in 2020. The increasing demand for brand promotion contributes to increasing investment in Hong Kong's advertising market, which facilitates the growth of Hong Kong's advertising market. The diagram below sets out the market size of Hong Kong's advertising market.

Market size of Hong Kong's advertising market, 2011–2020E



Source: CIC Report

Key Growth Drivers and Outlook for Hong Kong's Advertising Market

The key growth drivers for Hong Kong's advertising market include (i) diversified advertising format and platform with continuous improvement in technology facilitating media digitalization; and (ii) supportive policy for the creative industry which is highly correlated to the advertising industry. Advertisers in Hong Kong are investing more in advertising and marketing. Along with the growth of Hong Kong's economy, growth of the advertising market is expected to remain steady. The advertising market size in Hong Kong, as measured by revenue, grew from HK$20.2 billion in 2011 to HK$24.5 billion in 2015 at a CAGR of 4.9%, and is expected to grow at a CAGR of approximately 4.6%, reaching HK$30.5 billion by 2020.

Key Challenges for Hong Kong's Advertising Market

The key challenges for Hong Kong's advertising market include (i) fierce market competition, as the market is highly competitive and fragmented; (ii) uncertainty for changing preferences, trends and technology needs of advertisers and consumers; and (iii) weakening retail market in Hong Kong.

OUT-OF-HOME ADVERTISING MARKET IN HONG KONG

Out-of-home advertising is advertising that reaches the consumers while they are in public places, transit, or specific commercial locations, and can be categorized into three main segments:

(i) Transit Advertising

Advertisement displayed on vehicles or transportation terminals, such as airports, metro lines and minibuses, such as advertisements on the exterior of or seatbacks on buses, minibuses, taxis, mobile billboards in transportation terminals.

(ii) Building and Facilities Advertising

Advertisement in or on the exterior of buildings, which can be in a variety of formats including posters, bulletins and digital billboards. Facilities advertising includes advertising in public and private facilities, such as hospitals, healthcare centres and clinics.

Hospital advertising market in Hong Kong — Hospital advertising refers to advertising in hospitals and is a segment of building and facilities advertising. Since the potential audiences in hospitals are generally patients and their companions or visitors, advertisements for specific products, such as diapers and wheelchairs, can directly reach their potential customers through hospital advertising. There are 42 public hospitals and institutions under the Hospital Authority and 11 private hospitals in Hong Kong as at 31 December 2015. According to the Hospital Authority, the number of outpatient attendance increased from 11.6 million people in 2011 to 13.1 million people in 2015. Moreover, the average waiting time of patients and visitors to hospitals reached approximately 1.5 hours to 2.5 hours in 2015, which increases the audience and exposure of advertisements in hospitals.

Personal care store advertising market in Hong Kong — Personal care store refers to a store that sells beauty products and health care products. Personal care store advertising can directly reach potential customers for the advertised products, who can be influenced by the advertisement. There are over 800 personal care stores in Hong Kong as at 31 December 2015, with substantial amount of spaces for retail outlet advertising.

(iii) Other Out-of-Home Advertising

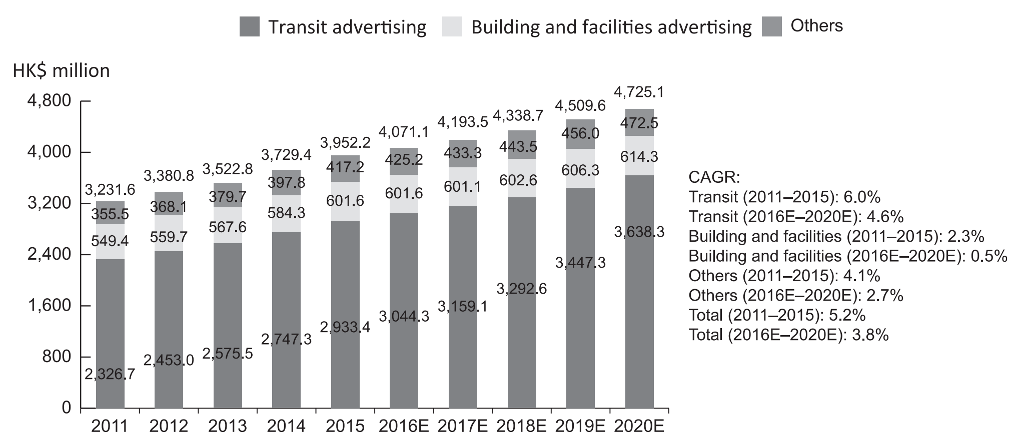
Other out-of-home advertising include advertising on street furniture and isolated billboards.

Market Size of the Hong Kong Out-of-Home Advertising Market

For 2015, out-of-home advertising market in Hong Kong generated a revenue of HK$3,952.2 million, compared with that of HK$3,231.6 million in 2011, representing a CAGR of 5.2%. Driven by the improved technology and improved space management, the market size of out-of-home advertising market in Hong Kong is expected to maintain a stable growth, reaching HK$4,725.1 million by 2020, with a CAGR of 3.8% from 2016 to 2020.

The diagram below shows the size of Hong Kong's out-of-home advertising market.

Market size of Hong Kong's out-of-home advertising market in terms of revenue by channel, 2011–2020E



Source: CIC Report

Key Growth Drivers for Hong Kong's Out-of-Home Advertising Market

Increasing population density and time spent outside of home of people in Hong Kong

The rising population density increases the frequency that out-of-home advertisements are noticed and lowers the cost per impression for out-of-home advertising. Moreover, people in Hong Kong are spending substantial time traveling, commuting, shopping or socialising outside their homes. It is expected that such decreasing cost per impression, which will result in higher return of investment of out-of-home advertising, will attract more advertisers in Hong Kong to engage out-of-home advertising to their marketing campaign.

Expected increase in preference for out-of-home advertising

Out-of-home advertising is characterised by large advertising spaces, relatively long exposure and convenience to covering potential audience. Compared with other advertising such as television, magazine and newspaper, out-of-home advertising has a much lower cost per thousand viewers, which is approximately 1/10 to 1/30 of that of television, magazine, and newspaper advertising. With such high cost-effectiveness, the priority of out-of-home advertising as a total advertising solution is increasing, which will bring more opportunities to out-of-home advertising space providers.

TRANSIT ADVERTISING IN HONG KONG

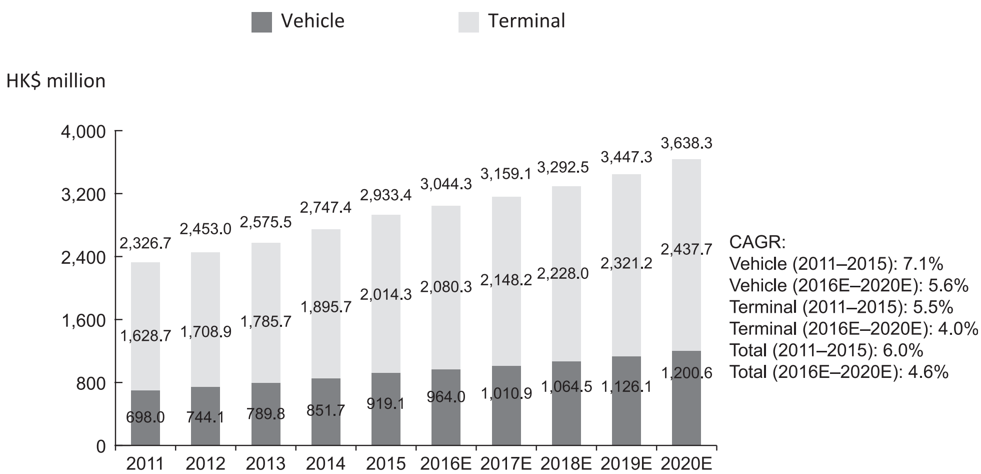
Transit advertising is a kind of advertisement that is generally placed in or on public transportation vehicles or in public transportation areas. Transit advertising is characterised by large advertising spaces, large number of potential audience and relatively long exposure. Transit advertising can be categorized into two major segments, namely transportation terminal advertising and transportation vehicle advertising. Transportation terminal advertising can be characterised by large and diverse passenger throughput and large advertising spaces, while transportation vehicle advertising has an extra advantage of high mobility which is expected to reach more audiences.

Market Size of the Hong Kong Transit Advertising Market

With one of the most well-organized and sophisticated transportation system in the world, transit advertising has become, and is expected to continue accounting for, a large proportion of the out-of-home advertising market in Hong Kong. Market size of transit advertising market in Hong Kong increased from HK$2,326.7 million in 2011 to HK$2,933.4 million in 2015, representing a CAGR of 6.0%. It is expected that the market size of transit advertising market in Hong Kong will grow at a CAGR of 4.6% between 2016 and 2020, reaching HK$3,638.3 million by 2020. The size of transportation vehicle advertising market in Hong Kong is relatively small, but it is expected to gain share of Hong Kong's transit advertising market, due to the increasing fleet size and lower unoccupied ratio of advertisement spaces on vehicles. The size of transportation vehicle advertising market has grown at a CAGR of 7.1% from HK$698.0 million in 2011 to HK$919.1 million in 2015, and is expected to further increase to HK$1,200.6 million by 2020, representing a CAGR of 5.6% between 2016 and 2020.

The diagram below sets out the market size of Hong Kong's transit advertising market.

Market size of Hong Kong's transit advertising market in terms of revenue by channel, 2011–2020E

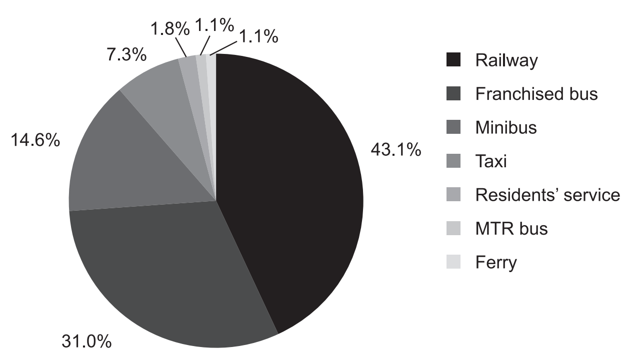


Source: CIC Report

MINIBUS ADVERTISING IN HONG KONG

Minibus in Hong Kong refers to buses with no more than 16 seats. The fleet size of minibus in Hong Kong is limited to 4,350 vehicles. Minibuses can be divided into green minibuses, which are used on scheduled fixed route services, and red minibuses, which are free to operate anywhere in Hong Kong. Minibus was the third largest segment in the public transport system of Hong Kong in 2015, with a share of 14.6% in terms of average daily public transport passenger journeys and a total transported volume of 680,499 thousand passengers in 2015.

Breakdown of average volume of daily public transport passengers by means of transportation, Hong Kong, 2015



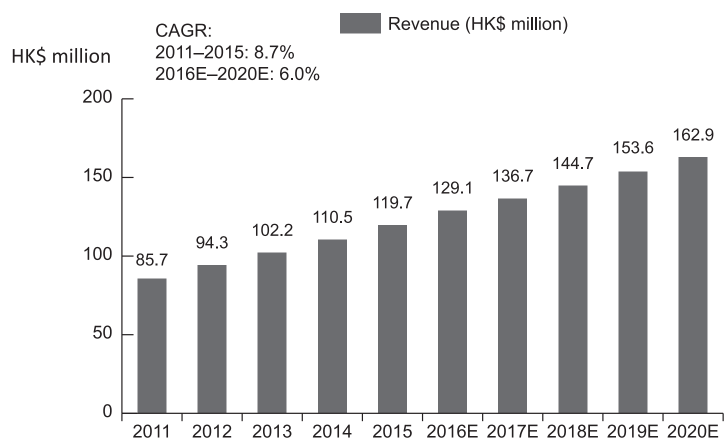
Source: Transport Department of Hong Kong and CIC Report

Advertisements on minibus have a large number of potential audiences due to the high population density in Hong Kong, as advertisements on the minibus body can easily be noticed when minibuses pass by. Seat-back advertisements, on the other hand, have a captive audience while the passengers are travelling on the minibus. With approximately 352 green minibus routes and approximately 148 red minibus routes in Hong Kong, minibus routes have practically covered all the areas of Hong Kong.

Market Size of the Hong Kong Minibus Advertising Market

With the total number of minibuses in Hong Kong being limited to 4,350, the number of minibuses in Hong Kong remained stable between 2011 and 2015. However, with the decreasing unoccupied ratio of minibus advertisement spaces and the growing bill rate of each category of minibus advertisements, the market size of Hong Kong's minibus advertising market increased to HK$119.7 million in 2015, from HK$85.7 million in 2011, representing a CAGR of 8.7% from 2011 to 2015. It is predicted that Hong Kong's minibus advertising market will generate total revenue of HK$162.9 million by 2020, representing a CAGR of 6.0% between 2016 and 2020. The diagram below shows the market size of Hong Kong's minibus advertising market.

Market size of Hong Kong's minibus advertising market, 2011–2020E



Source: CIC Report

The Hong Kong Government has encouraged red minibuses to convert to green minibuses through planning and introducing new green minibus routes, which have been the main focus of our business. The following table sets out the number of minibuses in Hong Kong for the years indicated.

Number of minibuses in Hong Kong, 2011–2015 (Unit)

	2011	2012	2013	2014	2015
Green minibuses	3,055	3,068	3,107	3,139	3,203
Red minibuses	1,290	1,279	1,239	1,206	1,141
Total	4,345	4,347	4,346	4,345	4,344

Source: Transport Department of Hong Kong and CIC Report

There were approximately 138 minibus operators with a total number of 1,279 green minibus routes in operation in Hong Kong in 2015. We had penetration rates of approximately 22.5% and 20.1% in terms of number of minibus operators with whom we have exclusive license and the number of minibus routes where we have exclusive license, respectively, in 2015.

The minibus industry was highly concentrated with the top ten operators accounting for an aggregate market share of approximately 46.5% in terms of fleet size. Generally, the owners of the vehicles are Hong Kong-incorporated companies, which are also the operators of the minibuses. As at the Latest Practical Date, we have licensed exclusive advertising spaces with four of such top ten operators, one of which is a company listed on the Stock Exchange. Additionally, we have entered into a binding agreement with a major minibus operator in Hong Kong to license advertising spaces on around 139 green minibuses on an exclusive basis commencing on 1 February 2017, further details of which are set out in the section headed “Business — Our Strategies — Increase the Coverage of our Minibus Advertising Network and Media” to this prospectus.

For minibus advertising companies, the general contracting process with minibus operators is to make a proposal with a minibus operator for routes they operate and provide it with a bid in taking up the entire minibus routes or partially for a number of years, generally ranging from two years to five years. The proposal, which is generally not by tender, is usually presented over a meeting with the minibus operator. It is an industry norm that the minibus operators do not hold public or private tenders to select minibus advertising companies, since the industry is relatively small and generally based on established business relationship and reputation within this industry.

Key Growth Driver for Hong Kong's Minibus Advertising Market

Expected increase in preference for minibus advertising

Compared with other advertising channels such as television, newspaper and magazine, minibus advertising is relatively low price and considerably high cost-effective, due to its high mobility and guaranteed potential audiences. The cost per thousand viewers of minibus advertising is approximately 1/20 to 1/30 of that of television, newspaper or magazine advertising. Such high cost-effectiveness of minibus advertising has attracted and is expected to continue to attract advertisers and intermediaries.

COMPETITIVE LANDSCAPE AND KEY PLAYERS OF THE HONG KONG OUT-OF-HOME AND MINIBUS ADVERTISING INDUSTRY

There are approximately 50 out-of-home advertising companies in Hong Kong in 2015, while the top five out-of-home advertising companies had an aggregate market share of 81% in terms of revenue in 2015. The market player which ranked the 1st in Hong Kong's out-of-home advertising market in terms of revenue in 2015, had a market share of approximately 30.4%, and followed by the 2nd and 3rd largest player with market shares of 22.8% and 15.2%, respectively.

Ranking of out-of-home advertising companies in terms of revenue, Hong Kong, 2015

Ranking	Company	Revenue (HK$ million)	Market share
1	Company A	1,200	30.4%
2	Company B	900	22.8%
3	Company C	600	15.2%
4	Company D	400	10.1%
5	Company E	100	2.5%
	Others	752.2	19.0%
	Total	3,952.2	100.0%

Source: China Insights Consultancy

Note: Our Company is one of the players under "Others".

There are approximately 20 minibus advertising companies in Hong Kong in 2015, while the top five minibus advertising companies had an aggregate market share of 86.2% in terms of revenue in 2015.

We were the largest company in Hong Kong's minibus advertising market, with a market share of approximately 34.3% in terms of revenue in 2015. The table below sets out the top five companies in the Hong Kong's minibus advertising market, and their respective market shares, based on revenue in 2015.

Ranking	Company	Revenue (HK$ million)	Market share
1	Our Company	41.0	34.3%
2	Company F	24.0	20.1%
3	Company E	20.0	16.7%
4	Company G	10.0	8.4%
5	Company H	8.0	6.7%
	Others	16.7	13.8%
	Total	119.7	100.0%

We also ranked first in Hong Kong's minibus advertising market in terms of number of vehicles with exclusive advertising spaces in 2015. There are only three major minibus advertising companies which have exclusive arrangement for minibus advertising spaces. The table below sets out the ranking and the number of exclusive minibuses as at 31 December 2015.

Approximately 63.7% of our Company's revenue of minibus advertising coming from exclusive vehicles in 2015, while that for the other two competitors was only approximately 20% to 30% in 2015.

Ranking of minibus advertising companies in terms of number of exclusive vehicles, Hong Kong, 2015

Company	Number of vehicles under exclusive arrangement (unit)	Total revenue of minibus advertising (HK$ million)	Revenue from vehicles under exclusive arrangement as % of total revenue of minibus advertising	Revenue by vehicle under exclusive arrangement (HK$ thousand)
Our Company	740.0	41.0	63.7%	35.3
Company F	200.0	24.0	20%–30%	24.0–36.0
Company E	180.0	20.0	20%–30%	20.0–30.0

Source: China Insights Consultancy

For minibus advertising services, we categorise the advertising spaces into five different grades according to their routes based on the routes, demand and availability, which is measured by the occupancy rate and our cost of licensing the relevant advertising space. We provide discount with pre-agreed rates or rebates to our major advertising customers which are based on the total sales per year. Our sales director reviews our prices generally on a weekly basis, and may adjust them based on the occupancy rate.

Our Directors believe that, us being one of the leading players in the minibus advertising market, our pricing policy is consistent and represent a significant part of the industry norm.

ENTRY BARRIERS TO HONG KONG OUT-OF-HOME AND MINIBUS ADVERTISING INDUSTRY

Constraints in getting access to key media channel or space

In the Hong Kong out-of-home advertising market, due to the limited number of advertising spaces, the access to various advertising spaces such as airports, metro lines and commercial buildings is essential for service providers.

Access to the limited minibus advertising spaces

Since the total number of minibuses in Hong Kong has been limited to 4,350, the total number of advertising spaces has been limited accordingly. As a kind of advertisement characterised by high mobility, large advertising spaces, and numerous potential audiences, there has been increasing demand for the limited minibus advertising resources in recent years.

Long term and exclusive arrangement with minibus operators

Major market participants in Hong Kong's minibus advertising market have developed long-term and stable relationship with operators of minibuses. This creates a barrier for new entrants who do not have access to these advertising spaces.

Established long-term business relationship with customers

Major customers often rely on experienced providers who they have collaborated with in the past due to the proven track record in providing satisfactory services for their customers, as the abundant experience accumulated from its past services provided will enable execution of new projects more smoothly. Hence, without an established track record, it will be difficult for new entrants to compete with existing market participants.

Implementation resources and experience

The existing minibus advertising market participants have invested significant time and resources on implementation technology for swift installation and catering various advertising media. Thus, new entrants will lack the resources and experience to compete with existing market participants.

HONG KONG'S HOSPITAL ADVERTISING MARKET

Overview of Hong Kong's hospital advertising market

Hospital advertising refers to advertising launched in hospitals and is a segment of building and facilities advertising. Since the potential audiences in hospitals are generally patients and their companions or visitors, specific products, such as diapers, wheelchairs, and etc., are capable of directly reaching their potential customers through hospital advertising.

Hong Kong's population of 7.32 million by 2015 is provided with a comprehensive range of medical and health services by public and private sectors. There are 42 public hospitals and institutions under the Health Authority, 11 private hospitals, and 59 nursing homes by 2015. Moreover, there were 13,726 medical practitioners registered with the Hong Kong Medical Council in 2015. The number of medical practitioners per thousand population is 1.9 in 2015, compared to that of 3.7 in Britain in 2014, 3.3 in the U.S. in 2013, 3.0 in Singapore in 2014, and 2.6 in Korea in 2013. The gap between Hong Kong and these countries implies that the medical system of Hong Kong still has room to improve.

According to Hospital Authority of Hong Kong, the number of outpatient attendance increased from 11.6 million people in 2011 to 13.1 million people in 2015. Moreover, the average waiting time of patients and visitors to hospitals reached approximately 1.5 hours to 2.5 hours in 2015, which makes advertisements in hospitals more valuable.

Competitive landscape of Hong Kong's hospital advertising market

Driven by the increasing number of outpatient attendance and the improving medical system of Hong Kong, it is expected there will be more potential audiences of hospital advertising and more advertising spaces in Hong Kong's hospitals. Hong Kong's hospital advertising market is relatively concentrated, with approximately 5 to 12 participants compete in this market in 2015. The size of Hong Kong's hospital advertising market, as measured by revenue, is relatively small with less than HK$10 million in 2015. With our Company accounting for a market share of over 80%, other participants, including hospitals operating the advertising business of their own and other advertising companies, which may occasionally provide hospital advertising services to their customers, accounted for an aggregate market share of less than 20% in 2015.

The most important competitive factor in Hong Kong's hospital advertising market is the relationship with hospitals. With an aggregate number of 102 hospital and clinics, the advertising spaces in Hong Kong's hospitals are limited. In order to acquire such limited resource, we have to maintain strong and long-term relationship with hospitals. On the other hand, our existing strategic alliance with hospitals facilitates a relatively high entry barrier to the new entrants of Hong Kong's hospital advertising market.

Competitive landscape of Hong Kong's clinic advertising market

Regarding the advertisements in the clinics, they are generally operated by the owners of the clinics. The size of Hong Kong's clinic advertising market, as measured by revenue, was less than HK$2 million in 2015. Since the market is too small and fragmented, market shares and revenues of the participants are not available.

HONG KONG'S HEALTH AND BEAUTY RETAIL STORES

Overview of Hong Kong's health and beauty retail stores advertising market

Health and beauty retail store refers to a store that sells beauty care products and health care products. Health and beauty retail store advertising refers to advertising launched in or out of health and beauty retail stores and is also a segment of building and facilities advertising market. Health and beauty retail store advertising is also capable of directly reaching potential customers, due to the similarity between the products in these health and beauty retail stores and purchase intention, which can be hit by the advertised products, of people getting into these stores.

There are over 800 health and beauty retail stores in Hong Kong in 2015. Health and beauty retail stores are well developed in Hong Kong and have provided enough spaces for retail outlet advertising.

Competitive landscape of Hong Kong's health and beauty retail stores advertising market

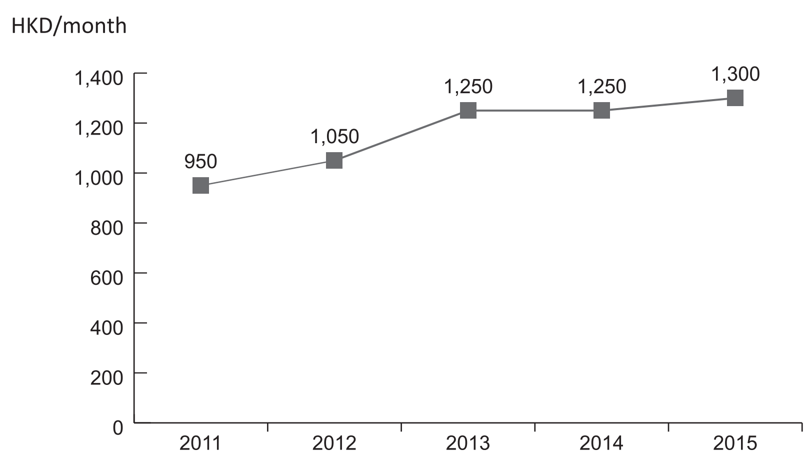
The increasing number of health and beauty retail stores in Hong Kong facilitated a favourable environment for Hong Kong's health and beauty retails stores advertising market. Hong Kong's healthy and beauty retail stores advertising market is relatively concentrated, with approximately 5 to 10 participants compete in this market in 2015. The size of Hong Kong's personal care store advertising market, as measured by revenue, is relatively small with less than HK$10 million in 2015. The first ranking market player company and our Company are the two largest participants in Hong Kong's health and beauty advertising market, accounting for market shares of approximately 45% and 45%, respectively in 2015.

Since Hong Kong's health and beauty retail stores market is highly concentrated with the largest two participants accounting for an aggregate market share of over 60%, cooperation with the two brands will guarantee sufficient advertising spaces for out-of-home advertising companies competing in Hong Kong's health and beauty retail stores advertising market. Meanwhile, such cooperation between existing out-of-home advertising companies and the two brands also become the highest entry barrier to the new entrants of Hong Kong's health and beauty retail stores advertising market.

HISTORICAL TREND OF THE MAJOR COSTS ASSOCIATED WITH OUR GROUP'S BUSINESS

For minibus advertising companies, the average cost of acquiring advertising spaces from minibus operators in Hong Kong increased steadily from an average renting price of approximately HK$950 per minibus per month in 2011 to approximately HK$1,300 per minibus per month in 2015.

Average cost of acquiring minibus advertising spaces, Hong Kong, 2011–2015



Source: China Insights Consultancy

GENERAL

Our Group's history can be traced back to 2004 when Ms. Chau and Mr. Yum (Ms. Chau's son) started the advertising business through MSL. Mr. Yum was initially the sole shareholder and sole director of MSL while Ms. Chau was a senior management responsible for the business operation and development of MSL, with a particular focus on managing the relationships with the minibus operators, and at the time, leveraging on her personal acquaintances with certain major minibus operators in Hong Kong. The startup cost for MSL was initially funded by the personal savings of Mr. Yum.

Shortly after MSL was incorporated, as MSL required a larger amount of capital for its business operation and expansion, in September 2004, Ms. Chau, Mr. Tony Lau and Mr. da Silva (both being Ms. Chau's long-term personal acquaintance) provided HK$400,000, HK$1,000,000 and HK$400,000 to MSL respectively, and in return, in March 2005, Mr. Yum agreed to hold 25.0%, 27.0% and 17.4% equity interest in MSL on behalf of Ms. Chau, Mr. Tony Lau and Mr. da Silva respectively. An Independent Third Party and Mr. Yum held the remaining 15.0% and 15.6% equity interest in MSL respectively. The above portions of the equity interest of Ms. Chau, Mr. Tony Lau and Mr. da Silva in MSL were determined based on their respective monetary and managerial contributions in MSL.

In mid-2012, Ms. Chau became a registered shareholder of MSL by acquiring shares from an Independent Third Party. On 15 November 2013, Mr. Yum transferred 25.0%, 27.0% and 17.4% equity interest in MSL back to Ms. Chau, Mr. Tony Lau and Mr. da Silva, respectively. Ms. Chau further increased her shareholding in MSL by acquiring shares from another Independent Third Party and also from Mr. Yum. After such transfers, MSL was owned as to 55.6% by Ms. Chau, 27.0% by Mr. Tony Lau and 17.4% by Mr. da Silva. Mr. Yum resigned as a director of MSML and MSL on 31 October 2013 and 15 November 2013, respectively, and he was no longer interested in our Group subsequently.

On 23 March 2016, Mr. Tony Lau transferred his 27.0% equity interest in MSL to AL Capital, which is wholly-owned by his son, Mr. Anthony Lau. On 23 March 2016, each of Mr. Yeung and Mr. Yau acquired 2.0% equity interest in MSL from Ms. Chau. Upon the completion of the above transfers, Ms. Chau, AL Capital and Mr. da Silva, Mr. Yeung and Mr. Yau held as to 51.6%, 27.0%, 17.4%, 2.0% and 2.0% equity interest in MSL, respectively.

Our Group's principal operating subsidiary, MSML, was incorporated by MSL as sole shareholder in May 2006. After MSML was incorporated, the business operation of MSL had gradually shifted to MSML. As a result, MSL began to have minimal operation and eventually became an investment holding company with no business operation.

BUSINESS HISTORY AND MILESTONES

Year	Key milestone
2004	MSL was incorporated to engage in provision of advertising services
2004	MSL entered into supplier contracts with various minibuses operators
2006	MSML was incorporated to be the principal operating subsidiary
2008	MSML entered into a supplier contract with the managing body of public hospitals in Hong Kong
2009	MSML entered into a supplier contract with one of the leading health and beauty retail chains in Hong Kong
2010	Our Group entered into two license agreements for advertising spaces in hospitals and clinics in Singapore
2013	Our Group ceased its business in Singapore due to unsatisfactory performance
2010, 2011, 2012 & 2015	Our Group was awarded the Hong Kong Awards for Environmental Excellence
2016	Our Group has advertisement spaces in 752 minibuses, 18 hospitals, 23 medical clinics, 192 health and beauty retail stores and 36 taxis as at 30 June 2016

CORPORATE HISTORY AND DEVELOPMENT

As at the Latest Practicable Date, MSML was the principal operating subsidiary of our Group. The following table contains some information of our Company and its subsidiaries as of the Latest Practicable Date:

Name of Group member	Date of incorporation/ Date of commencement of business (if different)	Place of incorporation	Principal activities
Our Company	28 June 2016	Cayman Islands	Investment holding
MSBVI	5 July 2016	BVI	Investment holding
MSL	2 August 2004	Hong Kong	Investment holding

Name of Group member	Date of incorporation/ Date of commencement of business (if different)	Place of incorporation	Principal activities
MSML	30 May 2006	Hong Kong	Provision of advertising services
MSISML	24 February 2009	Hong Kong	Inactive/no business operation
MSHML	5 July 2007	Hong Kong	Inactive/no business operation
MedicSML	27 June 2007	Hong Kong	Inactive/no business operation
AAPCL	11 September 2008	Hong Kong	Inactive/no business operation

Our Directors confirm that the main reason for retaining the above subsidiaries of our Company which are inactive/no business operation is because such readily available vehicles might be used by our Group in the future when necessary, and the time and costs of incorporating new vehicles could be saved in this regard.

See the section headed "History, Development and Reorganisation — Corporate Structure" in this prospectus for the chart showing the shareholding and corporate structure of our Group immediately after the Reorganisation.

Establishment and major shareholding changes of the major members of our Group

Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 28 June 2016 with an authorized share capital of HK$100,000 divided into 10 million shares of HK$0.01 each. It was incorporated for the purpose of implementing the Reorganisation.

On 28 June 2016, one share of HK$0.01 was allotted and issued, nil paid, to Sharon Pierson (an officer of Codan Trust Company (Cayman) Limited, the provider of the registered office of our Company), which was transferred to BVI-Chau on the same date. On 28 June 2016, our Company further allotted and issued 999,999 Shares, nil paid, to BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung and Mr. Yau (in the proportion of 51.6%, 27.0%, 17.4%, 2.0% and 2.0% respectively).

By an agreement (the "**Share Swap Agreement**") dated 30 November 2016 and made between (among other parties) (i) MSBVI (as purchaser); (ii) our Company (as holding company of MSBVI); and (iii) Ms. Chau, AL Capital, Mr. da Silva, Mr. Yeung and Mr. Yau (as vendors), MSBVI agreed to acquire the entire issued share capital in MSL. In consideration of and in exchange for such acquisition, our Company:

(i) credited as fully paid the 1 million nil-paid Shares which were first issued on 28 June 2016 (as mentioned above), and

(ii) issued 9 million new Shares (and such new Shares were issued to BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung and Mr. Yau in the proportion of 51.6%, 27.0%, 17.4%, 2.0% and 2.0% respectively), all credited as fully paid. Brief details of the shareholders of our Company immediately following completion of the Share Swap Agreement are shown below:

Subscriber	No. of Shares subscribed and held	Shareholding percentage (%)
BVI-Chau	5,160,000	51.6%
AL Capital	2,700,000	27.0%
BVI-da Silva	1,740,000	17.4%
Mr. Yeung	200,000	2.0%
Mr. Yau	200,000	2.0%
Total:	10,000,000	100%

Increase of authorised share capital

On 19 December 2016, the authorised share capital of our Company was increased from HK$100,000 divided into 10 million Shares of a par value of HK$0.01 each to HK$72,000,000 divided into 7,200,000,000 Shares of a par value of HK$0.01 each by the creation of an additional 7,190,000,000 Shares, pursuant to the written resolution of our Shareholders passed on 19 December 2016.

Capitalisation Issue and Placing

Conditional upon the share premium account of our Company being credited with the proceeds of the Placing, a sum standing to the credit of the share premium account of our Company will be capitalised and applied to paying up in full 530,000,000 Shares to be allotted and issued to all the then existing Shareholders in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then shareholdings in our Company. The number of Shares to be issued under the Capitalisation Issue together with the number of Shares then held by all such Shareholders shall represent not more than 75% of the entire issued share capital of our Company immediately after the completion of the Capitalisation Issue and the Placing (without taking into account of any Shares which may be issued upon exercise of any options which may be granted under our Company's share option scheme).

Pursuant to the Placing, our Company will offer 180,000,000 Placing Shares, being 25% of the total issued share capital of our Company (as enlarged by the Shares offered under the Placing and the Shares issued under the Capitalisation Issue excluding the Shares which may be allotted and issued upon exercise of the options granted or which may be granted under the Share Option Schemes) for subscription by professional, institutional and private investors.

MSBVI

MSBVI was incorporated in the BVI on 5 July 2016. It was incorporated for the purpose of implementing the Reorganisation.

It is initially authorised to issue up to a maximum of 50,000 shares of a single class each of US$1 per value. On 5 July 2016, 100 shares in MSBVI were issued to our Company, and the subscription price of each share was US$1 (i.e. the par value of such share).

MSL

MSL was incorporated in Hong Kong on 2 August 2004. Its initial authorized share capital was HK$10,000 divided into 10,000 shares of HK$1 each. Following the coming into effect of the Companies Ordinance, the nominal value of the shares in MSL was abolished pursuant to section 135 of the Companies Ordinance.

On 2 August 2004, 1,000 shares of HK$1 each was allotted and issued, fully paid at par, to Mr. Yum.

On 31 March 2005, 7,500 shares and 1,500 shares of HK$1 each were allotted and issued to Mr. Yum and a corporate investor ("**Investor-A**", an Independent Third Party) in which Mr. Yum held 25.0%, 27.0% and 17.4% on behalf of Ms. Chau, Mr. Tony Lau and Mr. da Silva respectively. As a result, the remaining equity interests in MSL were then held by Mr. Yum and Investor-A as to 15.6% and 15.0% respectively. The total number of issued shares in MSL had remained at 10,000 shares up to the Latest Practicable Date.

During the period from September 2006 to December 2006, the 15.0% interest of MSL then held by Investor-A was transferred to two Independent Third Parties.

During the period from June 2012 to November 2013, Ms. Chau acquired 15.0% interest of MSL then held by various Independent Third Parties at an aggregate consideration of HK$1,500 which was determined with reference to the par value of the subject shares when acquired by Ms. Chau.

On 15 November 2013, Mr. Yum transferred 2,500 shares, 2,700 shares and 1,740 shares in MSL to Ms. Chau, Mr. Tony Lau and Mr. da Silva, respectively, to reflect their shareholding under their mutual understanding back in 2004.

Upon completion of the transfers on 15 November 2013, Mr. Yum, Ms. Chau, Mr. Tony Lau and Mr. da Silva held 1,560 shares, 4,000 shares, 2,700 shares and 1,740 shares in MSL, representing 15.6%, 40.0%, 27.0% and 17.4% of the equity interest of MSL, respectively.

On 27 November 2013, Ms. Chau increased her shareholding in MSL by purchasing the remaining equity interest held by Mr. Yum at a consideration of HK$2,645,760. Such consideration was determined with reference to the then approximate net asset value of MSL and taking into consideration the contribution of Mr. Yum to MSL since its incorporation to his exit. Upon completion of this transfer, Ms. Chau, Mr. Tony Lau and Mr. da Silva held 5,560 shares, 2,700 shares and 1,740 shares in MSL, representing 55.6%, 27.0% and 17.4% equity interest in MSL, respectively.

On 23 March 2016, Mr. Tony Lau transferred 2,700 shares in MSL to AL Capital, which is wholly-owned by his son, Mr. Anthony Lau, at a consideration of HK$5,670,000. Such consideration was determined with reference to then net asset value of MSL.

On 23 March 2016, each of Mr. Yeung and Mr. Yau acquired 200 shares in MSL from Ms. Chau at HK$420,000 respectively. Such consideration was determined with reference to then net asset value of MSL.

Upon the completion of the above transfers in 2016, MSL was owned as to 5,160 shares by Ms. Chau, 2,700 shares by AL Capital, 1,740 shares by Mr. da Silva, 200 shares by Mr. Yeung and 200 shares by Mr. Yau, representing 51.6%, 27.0%, 17.4%, 2.0% and 2.0% equity interest in MSL, respectively.

As part of the Reorganisation, the entire issued share capital in MSL was transferred by Ms. Chau, AL Capital, Mr. da Silva, Mr. Yeung and Mr. Yau to MSBVI on 30 November 2016 pursuant to the Share Swap Agreement.

MSML

MSML was incorporated in Hong Kong on 30 May 2006. Its initial authorized share capital was HK$10,000 divided into 10,000 shares of HK$1 each. Following the coming into effect of the Companies Ordinance, the nominal value of the shares in MSML was abolished pursuant to section 135 of the Companies Ordinance.

On 30 May 2006, 100 shares of HK$1 each were allotted and issued, fully paid at par, to MSL. Since its incorporation and up to the Latest Practicable Date, the total number of issued shares in MSML has remained at 100 shares and is owned by MSL.

PRE-IPO INVESTMENT

Background of the Pre-IPO Investors

Mr. Yau

Mr. Yau is a private investor and he is a practicing solicitor of the High Court of Hong Kong. He joined our Group from 2006 until 2013 working in the operation department of MSML. To the best of the knowledge and belief of our Directors, Mr. Yau decided to invest in our Group in view of the prospects and growth potential of our Group. The source of funding of Mr. Yau's investment in our Group was from his personal resources. Mr. Yau was appointed as the company secretary on 19 August 2016.

Mr. Yeung

Mr. Yeung is a private investor and has 19 years of experience working in the finance field. Mr. Yeung has been a business consultant to our Group since October 2013. To the best of the knowledge and belief of our Directors, Mr. Yeung decided to invest in our Group in view of the prospects and growth potential of our Group. The source of funding of Mr. Yeung's investment in our Group was from his personal resources.

Save as disclosed above and being the Shareholders as a result of the pre-IPO investments, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Yau and Mr. Yeung did not have any other past or present relationships, including but not limited to family, trust, business, employment relationships, or any agreements, arrangements or understanding with our Group or any of its connected persons.

Investment

On 23 March 2016, each of Mr. Yeung and Mr. Yau acquired 200 shares in MSL from Ms. Chau at HK$420,000 respectively. Such consideration was determined at arm's length negotiations and with reference to then net asset value of MSL. Following the transfers, Mr. Yeung and Mr. Yau both held 200 shares in MSL, each representing 2.0% equity interest in MSL. The pre-IPO investment by Mr. Yau and Mr. Yeung was to widen the shareholder base of our Company and their involvement in our Group is to facilitate the future development and business prospects of our Company.

The following table sets out a summary of the pre-IPO investments by Mr. Yeung and Mr. Yau:

	Mr. Yeung	Mr. Yau
Amount of consideration paid to Ms. Chau	HK$420,000	HK$420,000
Payment date of consideration in full to Ms. Chau	23 March 2016	23 March 2016
Approximate cost per Share paid under pre-IPO investment *(Note 1)*	0.039	0.039
Discount to the Placing Price *(Note 2)*	84.4%	84.4%
Use of proceeds from the pre-IPO investment	n/a	n/a
Benefit from the pre-IPO investment	Widen the shareholder base of our Company	Widen the shareholder base of our Company
Approximate shareholding upon Listing *(Note 1)*	1.5%	1.5%

Notes:

(1) This is derived based on 10,800,000 Shares to be held by each of Mr. Yeung and Mr. Yau respectively upon completion of the Capitalisation Issue and the Placing (without taking into account any Shares which may be issued upon the exercise of the Share Option Scheme).

(2) This is derived based on the Placing Price of HK$0.25, being the mid-point of the indicative Placing Price range.

The consideration in respect of the pre-IPO investments was reached by the relevant parties through arm's length negotiations and with reference to the then net asset value of MSL. There is no guaranteed discount to the Placing Price. The pre-IPO Investors confirmed that the consideration paid by them under the pre-IPO investments was irrevocable. No special right was granted to the pre-IPO Investors in connection with their investments.

Lock-up and public float

The investments made by the pre-IPO investors are subject to lock-up. The pre-IPO investors have undertaken to our Group that for a period of six months after Listing they shall not sell, dispose of, nor enter into any agreement to dispose of or otherwise create any interests or encumbrances in respect of any of the Shares which are beneficially owned by them upon the Listing. The Shares held by Mr. Yau and Mr. Yeung will form part of our Company's public float upon Listing for the purpose of Rule 11.23 of the GEM Listing Rules.

Sole Sponsor's Confirmation

The Sole Sponsor confirms that the pre-IPO investments by Mr. Yau and Mr. Yeung as detailed above is in compliance with the Interim Guidance on pre-IPO investments (HKEx-GL29-12) issued by the Stock Exchange in January 2012 and the Guidance on Pre-IPO investments (HKEx-GL43-12) issued in October 2012 and updated in July 2013 as the consideration for such pre-IPO investments were fully settled on 23 March 2016, which was more than 28 clear days before the date of the first submission of the listing application form to the Listing Division of the Stock Exchange in relation to the Listing. No special rights were granted to the pre-IPO investors.

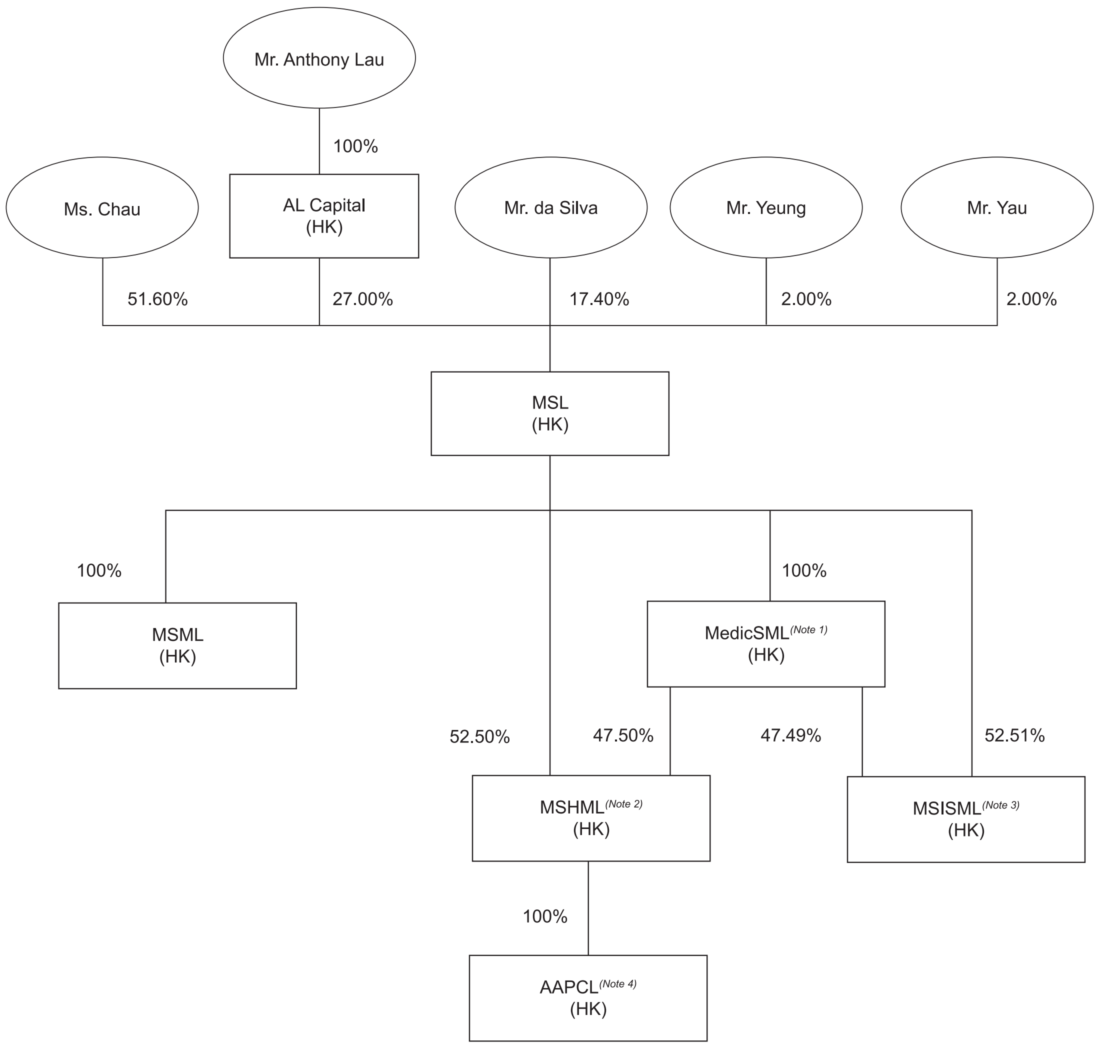
INFORMATION OF OUR SUBSTANTIAL SHAREHOLDER — MR. ANTHONY LAU

Mr. Anthony Lau is a director of Verolux Company Limited, whereby his main duty is supervising the property investment and management departments.

Mr. Anthony Lau, through AL Capital (which is wholly owned by Mr. Anthony Lau), obtained 27.0% equity interest in MSL from his father, Mr. Tony Lau on 23 March 2016. Please see the section headed "History, Development and Reorganisation — Corporate History and Development" in this prospectus for further information about such transfer. The source of funding of obtaining such equity interest in MSL was from Mr. Anthony Lau's personal resources. Upon completion of the Reorganisation, Mr. Anthony Lau, through AL Capital, owned 27.0% equity interest in the Company.

REORGANISATION

Prior to the Reorganisation which started in May 2016, the corporate structure of our Group was as follows:



Notes:

1. MedicSML was inactive/had no business operation as at the Latest Practicable Date.

2. MSHML was inactive/had no business operation as at the Latest Practicable Date.

3. MSISML was inactive/had no business operation as at the Latest Practicable Date.

4. AAPCL was inactive/had no business operation as at the Latest Practicable Date.

Steps of Reorganisation

In preparation for the Listing and the Placing, our Group implemented the Reorganisation which involved the following principal steps:

1. Each of Ms. Chau and Mr. da Silva acquired and activated and solely owned a BVI investment vehicle (i.e. the BVI Inv Vehicles) as follows, for holding their respective shares in our Company:

Name of BVI Inv Vehicle	Sole shareholder of BVI Inv Vehicle
Goldcore Global Investments Limited ("**BVI-Chau**")	Ms. Chau
Silver Pro Investments Limited ("**BVI-da Silva**")	Mr. da Silva

2. On 28 June 2016, our Company was incorporated in the Cayman Islands as an exempted company. Its initial authorised share capital is HK$100,000 divided into 10 million shares of HK$0.01 each. On 28 June 2016, one Share was issued to Sharon Pierson (an officer of Codan Trust Company (Cayman) Limited, the provider of the registered office of our Company), which was transferred to BVI-Chau on the same date.

3. On 28 June 2016, our Company further allotted and issued 999,999 Shares, all nil-paid, to BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung, and Mr. Yau. Brief details of the shareholders of our Company immediately following such transfer and subscriptions are shown below:

Subscriber	No. of Shares subscribed and held	Shareholding percentage (%)
BVI-Chau	516,000 *(Note)*	51.6%
AL Capital	270,000	27.0%
BVI-da Silva	174,000	17.4%
Mr. Yeung	20,000	2.0%
Mr. Yau	20,000	2.0%
Total:	1,000,000	100%

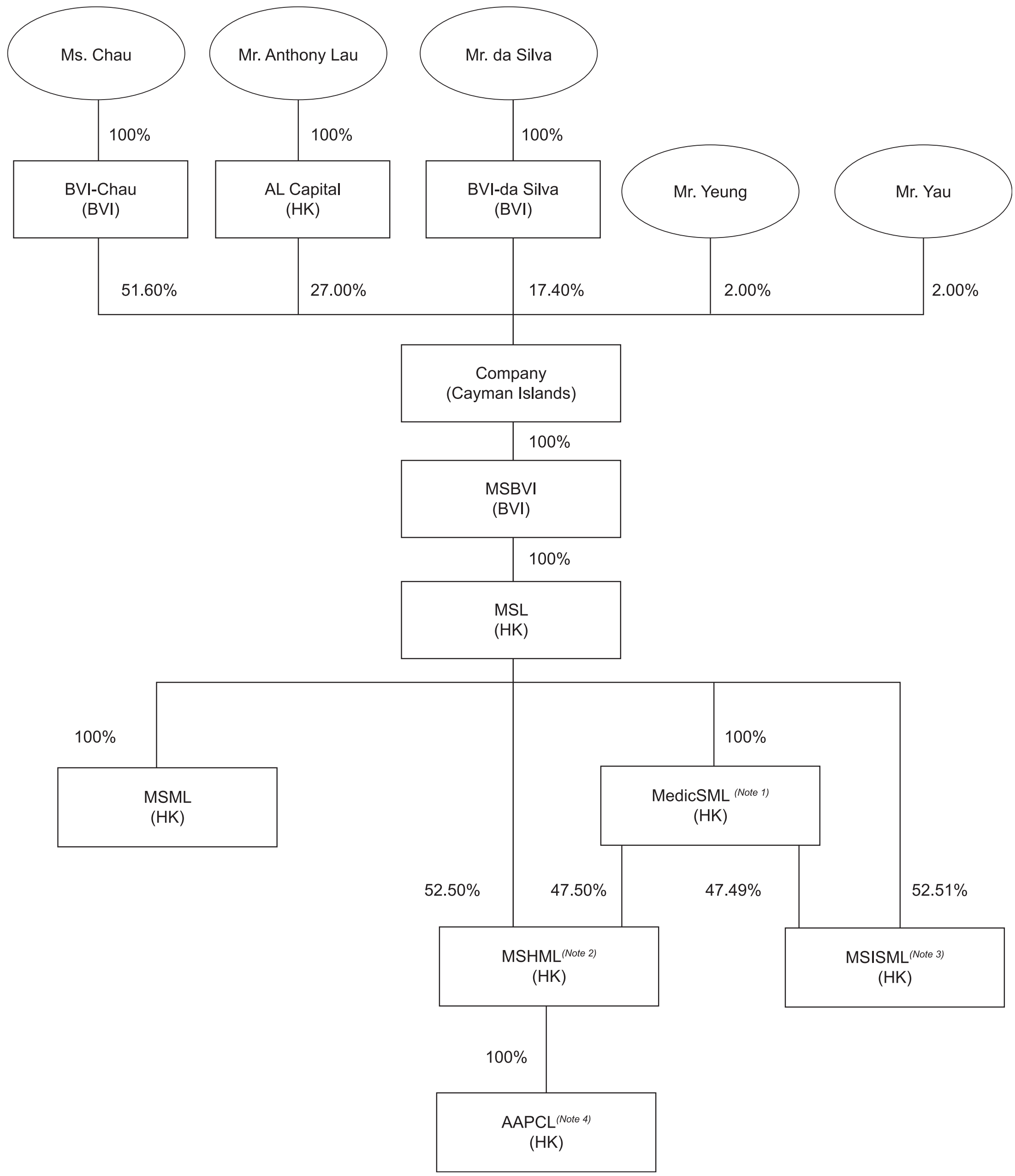
Note: Inclusive of one subscriber share transferred from Sharon Pierson.

4. MSBVI was incorporated in the BVI on 5 July 2016. It's initially authorised to issue a maximum of 50,000 shares of a single class of par value US$1 each. On 5 July 2016, 100 shares in MSBVI were issued to our Company, and the aggregate subscription price was US$100 which was equal to the aggregate par value of the shares issued.

5. On 30 November 2016, pursuant to the Share Swap Agreement, MSBVI became the sole shareholder of MSL, and the number of issued Shares in our Company was increased to 10 million. The shareholding percentage of BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung, and Mr. Yau in our Company remained the same immediately before and immediately after the completion of the Share Swap Agreement.

CORPORATE STRUCTURE

The following chart depicts the shareholding and corporate structure of our Group immediately after the Reorganisation:



Notes:

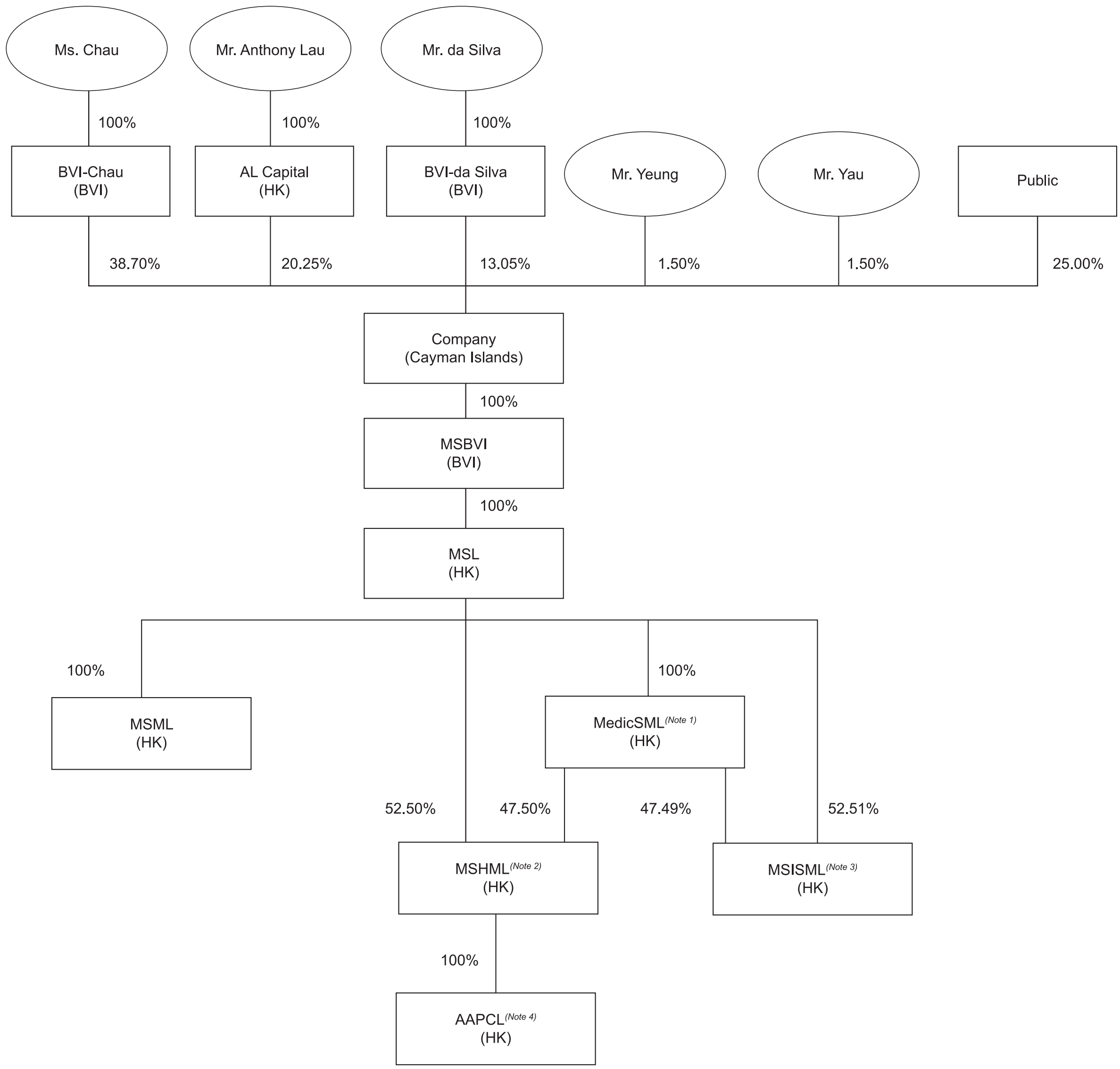
1. MedicSML was inactive/had no business operation as at the Latest Practicable Date.

2. MSHML was inactive/had no business operation as at the Latest Practicable Date.

3. MSISML was inactive/had no business operation as at the Latest Practicable Date.

4. AAPCL was inactive/had no business operation as at the Latest Practicable Date.

The following chart depicts the shareholding and corporate structure of our Group immediately after the completion of the Placing:



Notes:

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3. MSISML was inactive/had no business operation as at the Latest Practicable Date.

4. AAPCL was inactive/had no business operation as at the Latest Practicable Date.

OVERVIEW

We are a well-established out-of-home advertising space and service provider in Hong Kong, with a focus on advertising on minibuses, hospitals, clinics and health and beauty retail stores. In FY2015, FY2016 and 1Q2017, we generated approximately 67.3%, 73.9% and 71.5% of our revenue from minibus advertising, respectively. We were the largest minibus advertising company in Hong Kong in 2015, based on revenue, with a market share of approximately 34.3%, according to the CIC Report. We also ranked first in terms of the number of minibuses with our exclusive advertising spaces in Hong Kong in 2015, with approximately 740 minibuses, representing approximately 17% of the number of minibuses in Hong Kong as at 31 December 2015, according to the CIC Report.

We are the only company providing advertising spaces inside public hospitals in Hong Kong, and we operate a unique healthcare advertising platform, combining our exclusive advertising spaces in public and private hospitals, minibuses with fixed routes reaching major hospitals, in clinics of a major private healthcare service provider, and over 170 retail stores of a leading health and beauty retail chain in Hong Kong. Advertising income from hospitals and clinics represented 19.4%, 13.8% and 16.5% of our revenue, and advertising income from health and beauty retail stores represented 8.6%, 6.3% and 3.9% of our revenue, for FY2015 and FY2016 and 1Q2017, respectively.

Our principal business is the provision of out-of-home advertising spaces and services to our customers, which comprise end-users aiming to promote their brands, products or services, and advertising agents acting for such advertisers. We offer our customers convenient services of design and production, advertisement logistics, installation and dismantling services. We believe that with our quality service approach, we are able to better manage and coordinate the different aspects of an advertising project. We aim to deliver integrated out-of-home media services to our customers which enable them to enhance their brand recognition and expand and strengthen their connection with customers.

We license advertising spaces from licensors which are owners or operators of minibuses and taxis, hospitals, clinics and a leading health and beauty retail chain in Hong Kong. We license a majority of these spaces on an exclusive and long-term basis. As at 30 June 2016, we had licensed exclusive advertising spaces on 752 minibuses, in 18 hospitals, 23 medical clinics, 192 health and beauty retail stores and 36 taxis. Depending on the requirements of our customers, we may also procure advertising spaces from other advertising space owners on a non-exclusive basis. In FY2016, revenue generated from non-exclusive advertising spaces on minibuses and taxis were HK$14.9 million and HK$0.6 million, representing 26.7% and 1.1% of our revenue for FY2016, respectively.

With over 12 years of operating history under the leadership of Ms. Chau, our Chairlady, executive Director and chief executive officer, we have in-depth experience in the advertising industries and have built up an established clientele and strategic relationship with owners of advertising spaces. Our out-of-home advertising platform for minibus, taxis, hospitals, clinics and health and beauty retail stores have a large and wide range of audiences, covering different districts and consumer segments in Hong Kong.

We believe our minibus advertising services enable advertisers to reach a large general audience as well as the local community of the specific minibus route which can increase the effectiveness of their campaign and exposure to the target audience. The advertisement on the minibus body serves like a "moving banner" through the streets repetitively. In addition, we believe that our advertising services on minibuses with routes to major hospitals provide synergy with our hospital advertising services, as they both reach patients, hospital visitors and healthcare professionals as audience, which our advertisers can strategically use to reach such target consumers.

We have a large and diverse customer base, comprising over 600 customers in FY2016. Our customers include major local and international companies engaged in pharmaceutical, healthcare, beauty, food and beverage and home design and furniture industries. Most of our customers are repeat customers and we have had a business relationship for over five years with most of our major customers. Revenue of repeat customers (who had contracted with us more than once during the Track Record Period) represents approximately 53% of our revenue for FY2016.

According to the CIC Report, the market size of out-of-home advertising market in Hong Kong is expected to maintain a stable growth. We believe our leading market position and established business model provide us with a favourable position to capture additional market share and the overall growth trend of the minibus and out-of-home advertising markets.

OUR STRENGTHS

Leading Position in the Minibus Advertising Market in Hong Kong

We were the largest minibus advertising service provider in Hong Kong in 2015, based on revenue, with a market share of approximately 34.3%, according to the CIC Report. We also ranked first in terms of the number of minibuses on which we have exclusive rights to provide advertising spaces in Hong Kong in 2015, with approximately 740 minibuses, representing approximately 17% of the number of minibuses in Hong Kong, as at 31 December 2015, according to the CIC Report.

We believe that our leading position enables us to enjoy economies of scale and flexibility of providing advertising spaces and quality services at competitive prices. Our scale of operation also provides us with competitive advantage in securing advertising spaces, which is illustrated by our ability to be the exclusive licensee of the major minibus operators.

According to the CIC Report, the revenue of the minibus advertising market and out-of-home advertising market in Hong Kong is expected to grow with CAGR of approximately 6.0% and 3.8%, respectively from 2016 to 2020. For 2015, out-of-home advertising market in Hong Kong generated a revenue of HK$3,952.2 million and is expected to generate HK$4,725.1 million by 2020, representing a CAGR of 3.8% from 2016 to 2020. The market size of Hong Kong's minibus advertising market is estimated to generate a revenue of HK$162.9 million by 2020, representing a CAGR of 6.0% between 2016 and 2020. We believe our leading market position and established business model provide us with a favourable position to capture the overall growth trend of the minibus and out-of-home advertising markets.

Exclusive Advertising Spaces with Wide Coverage in Hong Kong

We have secured the majority of our advertising spaces on an exclusive long-term basis, including advertising spaces on approximately 752 minibuses, 18 hospitals, 23 clinics and 179 stores of a leading health and beauty retail chain in Hong Kong as at 30 June 2016, with term generally ranging from one to five years. We are the only company licensed to provide advertising spaces inside public hospitals in Hong Kong as at the Latest Practicable Date. These advertising spaces which we have licensed provide a significant barrier for our competitors, and we believe this helps us to maintain a profitable pricing strategy.

We believe that the large number of our advertising spaces also provide us with the flexibility of providing a range of advertising spaces and packages and enable us to adopt effective pricing according to their occupancy rate.

Our large number of long-term advertising spaces provide more choices for our customers targeting different segments of target audience and consumers with advertising campaigns of different timeframe.

Effective and Flexible Out-of-Home Advertising Services

Out-of-home advertising is advertising that reaches the consumers while they are in public places, transit, or commercial premises. The widespread coverage of transit advertisements can allow the key message to be delivered across the city, reaching a larger amount of audiences in different corners. Advertisers can choose the route that goes through certain places where their target customers appear frequently.

We believe that our out-of-home advertising is cost effective, provides widespread coverage with continuous exposure and high reach frequency, and offers flexibility to customers. Our advertising spaces on minibus, taxis and hospitals have a large and wide range of audiences, covering different districts and consumer segments in Hong Kong.

The advertisement on the minibus and taxi bodies serves like a “moving banner” through the streets repetitively for up to 24 hours a day. They can therefore reach a large number of pedestrians and passengers of other vehicles on the routes of the minibuses. The advertisement on passenger seats, on the other hand, have a captive audience while the passenger remains on the minibuses. We also provide advertising spaces on the poles at minibus stations, which can attract the attention of pedestrians and passengers when they are waiting for the minibus. We believe that our minibus advertising services enable advertisers to reach a large general audience as well as a local community of the specific minibus route which can increase the effectiveness of their campaign and exposure to the target audience.

We operate a unique healthcare advertising platform, combining our exclusive advertising spaces in public hospitals, minibuses with fixed routes reaching major hospitals, in clinics of a major of private healthcare service provider in Hong Kong, and in over 190 stores of a leading health and beauty retail chain. We believe that our advertising spaces on minibuses with routes to major hospitals provide synergy with our hospital advertising spaces, as they both reach patients, hospital visitors and healthcare professionals, which are the target customers of pharmaceutical and healthcare product and service companies. This healthcare advertising platform provides effective channel of advertising for our target customers of pharmaceutical and healthcare product and service companies.

We provide convenient services to our customers, including design and production, logistics and installation services. We believe that with our services, we are able to better manage and coordinate the different aspects of a project and achieve enhanced operating efficiency.

Loyal and Diverse Base of Customers

We have a large and diverse customer base, comprising over 600 customers in FY2016. Our customers include major local and international companies engaged in pharmaceutical, healthcare, beauty, food and beverage, furniture and entertainment industries, as well as non-profit organisations and political parties in Hong Kong.

We believe that having customers from a wide variety of industries reduces the risk of over concentration on any particular industry which may cause us to be more vulnerable to seasonality, economic cycles and fluctuations in a particular industry.

Our customers comprise end-users and intermediaries, which include leading intermediaries in Hong Kong. Most of our customers are repeat customers and we have had business relationship for over five years with most of our major customers. Revenue of repeat customers (who had contracted with us more than once during the Track Record Period) represents approximately 53% of our revenue in FY2016. We believe that, by maintaining a close relationship with our customers, we are able to familiarise ourselves with the customers' corporate cultures, budgets and preferences in order that we can better manage their expectations and offer them with services best suited to their needs.

Experienced and Dedicated Management with Proven Track Record

We have an experienced, dedicated and capable management team, led by Ms. Chau, our founder, Chairlady, executive Director and chief executive officer, who has been instrumental in spearheading our growth since inception.

Ms. Chau has over 18 years of experience in the advertising industry where she has held senior roles in both commercial field and in private sector. She began her career in marketing with one of the early mobile marketing companies with mobile advertising and mobile payment companies as the commercial manager, and has been the marketing controller of a healthcare start-up company, responsible for placing of advertisements.

Over the years, our management team and executive officers have built close relationships with our key principal suppliers and customers, accumulated in-depth knowledge of the industry and have stayed abreast of industry development and market trends. The in-depth industry knowledge and extensive operational and management experiences of our team of management and staff have helped us to foster a strong customer service-oriented culture, ensure smooth execution and completion of our projects and price our advertising spaces effectively.

In addition, we have built a loyal, experienced and capable senior management team with a proven track record as well as a team of committed and well-trained frontline staff. Please see the section headed "Directors and Senior Management" for further information on our Directors and senior management.

OUR STRATEGIES

We aim to strengthen our position as a leading out-of-home advertising company in Hong Kong and have entered into discussions and memorandum of understanding with various targeted suppliers. Our Directors are of the view that the signing of such memorandum of understanding is consistent with our past practice. If all these discussions and memorandum of understanding materialised into formal agreements, the total capital needed is estimated to be HK$33 million. We plan to further expand our market share by adopting the following business strategies.

Increase the Coverage of our Minibus Advertising Network and Media

As at 30 June 2016, we had exclusive advertising spaces on 351, 183 and 218 minibuses with routes in Hong Kong, Kowloon and the New Territories, respectively. We intend to increase our coverage in the minibus advertising network in Hong Kong Island, Kowloon and the New Territories, with a focus on further increasing exclusive advertising spaces on minibuses in Kowloon and the New Territories, where there is still substantial room for growth in our market share. We believe this will further improve our leading position for advertising on minibuses, and provide us with stronger economies of scale. We intend to license advertising spaces on about 465 green minibuses and 200 red minibuses for the period from the Listing Date to 30 September 2018, subject to the bases and key assumptions set out in the section headed "Future Plans and Use of Proceeds for further information.

As part of our plan to secure more advertising spaces on red minibuses, we have entered into a binding agreement with a minibus advertising space owner for the license of advertising spaces on 20 red minibuses by fixed monthly fee per minibus starting from 1 October 2016. We have already commenced our advertising services in respect of the advertising spaces on these red minibuses.

We have also entered into a non-binding memorandum of understanding on 12 August 2016 with a major minibus operator ("**Minibus Operator**") in Hong Kong, which provides that, subject to the signing of a binding legal agreement, we will be the exclusive licensee of advertising spaces on around 600 additional minibuses operated by that operator, for which we will pay a fixed license fee per month per minibus, for an initial term of three years, renewable for two years, which will be rolled out by stages, as set out in the section "Future Plans and Use of Proceeds". As part of the plan, we have entered into a binding agreement with the Minibus Operator to license advertising spaces on around 139 green minibuses on exclusive basis commencing on 1 February 2017. Our Directors currently expect the parties to enter into further binding agreement(s) in relation to the advertising spaces on the additional minibuses in batches after the Listing.

Separately, we have also entered into a non-binding memorandum of understanding on 25 July 2016 with the Minibus Operator, which provides that, subject to the signing of a binding agreement, (i) we will install LCD advertising video display systems and ancillary equipment on around 600 minibuses; (ii) we will be the exclusive advertising service provider for the advertisement to be displayed on such systems on the minibuses; (iii) we will pay a fixed fee per minibus; and (iv) the initial term of the agreement is expected to be three years from 1 January 2017, renewable for two years. Our Directors currently expect the parties to enter into a formal agreement in relation to such matter by first half of 2017.

Expand into Other Transportation Advertising Services

While we have focused mainly on advertising services on minibuses, we intend to expand into other transportation advertising services, covering other public transportation vehicles, such as taxis, light good trucks and vans and tour buses in Hong Kong. We intend to license advertising spaces on about 160 taxies, 200 light good trucks and vans and 50 tour buses for the period from the Listing Date to 30 September 2018, subject to the bases and key assumptions set out in the section headed "Future Plans and Use of Proceeds" for further information. On 1 November 2016, we have entered into a binding agreement to license advertising spaces on around 26 additional taxis.

We have entered into a non-binding memorandum of understanding on 13 September 2016 with a company owning a patented design for "Taxiboard" ("**Taxiboard Owner**"), a new type of physical advertising panel installed on the rearward facing surface of the baggage compartment on taxis which has received relevant regulatory approval. The memorandum of understanding provides that, subject to the signing of a legally binding agreement, we will have an exclusive right for promoting and providing advertising on the Taxiboards for a fixed monthly fee per Taxiboard; and the Taxiboard Owner will maintain the regulatory approval and patents for the Taxiboard. We plan to contract with taxi operators to install the Taxiboards on not less than 1,000 taxis. Our Directors currently expect the parties to enter into a formal agreement in relation to such matter by first half of 2017.

We are also in discussion for cooperation with an out-of-home media operator of an online logistic platform in Hong Kong operating a large fleet of trucks and vans (the "**Online Van Operator**"), providing a wide range of advertising formats and coverage. Under the planned cooperation, subject to further negotiation and the signing of a binding agreement, the Online Van Operator will procure the license to us of advertising spaces on trucks and vans it operates for a fixed fee per vehicle per month. Our Directors currently expect the parties to enter into a formal agreement in relation to such matter by first half of 2017.

We believe that expanding into advertising network of other transportation vehicles will allow us to increase our target audience, and thereby broaden our customer base and attract new customers.

Expand our Healthcare Related Advertising Platform

We intend to expand our coverage in the healthcare-related advertising platform by securing long-term exclusive contracts with private clinics and healthcare centers in Hong Kong for providing advertising spaces and services at these locations. We intend to license advertising spaces on about 320 LCD advertising panels in private clinics for the period from the Listing Date to 30 September 2018, subject to the bases and key assumptions set out in the section headed "Future Plans and Use of Proceeds". We have entered into a non-binding memorandum of understanding on 15 August 2016 with a medical diagnostic and imaging service provider, which together with its affiliated companies, operate about 100 diagnostic centres in Hong Kong (the "**Health Check Service Provider**"). Under the memorandum of understanding, subject to the signing of a binding agreement, we will be the exclusive advertising service provider for advertising spaces, in the format of display panels and media broadcasting system, at the centres owned or managed by the Health Check Service Provider, for which we will pay a fixed rental fee per month per centre. Our Directors currently expect the parties to enter into a formal agreement in relation to such matter by second half of 2017.

We believe that with an aging population and visitors to Hong Kong seeking healthcare services and related products, there is substantial market potential for the related advertisement. Our healthcare-related advertising platform in hospitals, clinics, healthcare centres and health care retail shops provide effective and targeted advertising platform for such advertisement.

Enhance our Information Management System

We utilise a computerised information management system to manage our advertising spaces, contracts, sales, and advertising space bookings. With our information management system, our employees are able to review the availability of our advertising spaces on a real-time basis to provide updated information to our customers.

We intend to further develop and improve the efficiency of our information management systems. For instance, we aim to further automate our management information system for our advertising spaces so that it can be updated and accessed online on a real time basis, integrate our key processes and control and handle our key business transactions remotely. We also intend to develop a new online reservation system for minibus advertising transactions with registered customers, in order that our customers can have access to information about the availability of advertising spaces online and request and reserve advertising spaces conveniently and efficiently through our online advertising space reservation system.

Use of Proceeds from the Placing for our Strategies

Please see the section headed "Future Plans and Use of Proceeds" for the expected use of the net proceeds from the Placing for our strategies and future plans set out above. The implementation of the above strategies is estimated to require approximately HK$33.5 million, as set out below, which will be funded partly by the proceeds from the Placing and partly by our internal resources.

	Amount (HK$ million)	Approximate percentage
Minibus media advertising network		
Developing advertising network on green minibuses:		
• licensing of physical advertising spaces on green minibuses	12.8	
• licensing of LCD display advertising spaces on green minibuses	4.5	
• installation of LCD display systems on green minibuses	3.0	
Licensing of advertising spaces on red minibuses	2.5	
Sub-total	**22.8**	**68.1%**
Other transportation advertising services		
Licensing advertising spaces on taxies	0.6	
Installation and license fees for Taxiboards under the memorandum of understanding with Taxiboard Owner	2.4	
Licensing advertising spaces on trucks and vans under the memorandum of understanding with the Online Van Operator	1.2	
Licensing advertising spaces on tour buses	1.1	
Sub-total	**5.3**	**15.8%**
Healthcare-related advertising platform		
Installation and licensing of advertising spaces on LCD panels in clinics operated by the Health Check Service Provider	**4.8**	**14.3%**
Information management system	**0.6**	**1.8%**
Total	**33.5**	**100.0%**

In order to implement our strategies, as set out above, we have entered into non-binding memoranda of understanding with the Minibus Operator, the Health Check Service Provider and the Taxiboard Owner, and have been in discussion with the Online Van Operator (together the "**Platform Providers**").

As the implementation of the above strategies is estimated to require funding of approximately HK$33.5 million, which have to be funded principally by the proceeds from the Placing, our Directors consider that we should act prudently and only enter into formal legally binding agreements after the Listing when there is greater certainty that there will be sufficient funding for the strategies and projects. The main reason for not signing legally binding agreements is that we consider that we should not enter into commitments which would generally require us to pay minimum licence fees before we are more certain that we will secure sufficient funding for such payments.

Our Directors consider that subject to the availability of the required funding, it is likely that we will be able to enter into formal agreements and thereafter implement the relevant strategies, on the following basis:

(i) we have discussed with the Platform Providers in relation to the implementation of our strategies and our cooperation with each of them;

(ii) no legal or regulatory hurdle is foreseen in relation to the entering of the formal agreements and the implementation of the relevant strategies and plans, which are feasible and can be carried out once confirmed;

(iii) we have the relevant experience and successful track record in marketing advertising spaces, and we have established relationship with the Platform Providers, who are aware of our experience and records. We believe that the terms of the arrangements are mutually beneficial to us and the Platform Providers, and we believe that we have the following competitive advantages compared with our competitors from the Platform Providers' perspective:

(a) we ranked first in terms of the number of minibuses with our exclusive advertising spaces in Hong Kong in 2015 according to the CIC Report, and with over 12 years of operating history, we have in-depth experience in the advertising industries. In particular, we have built up an established and diverse customer base, comprising over 600 customers in FY2016, which we believe is generally important for all the Platform Providers, as we can effectively promote their advertising spaces to the customers;

(b) in respect of the Minibus Operator and the Health Check Service Provider, with whom we had over 10 and 8 years of business relationship respectively, we believe that we have a well-established relationship with them as a trustworthy business partner in terms of our performance and payment of fees to them;

(c) for the Minibus Operator, additional to our plan to license advertising spaces on the bodies of around 600 additional minibuses it operates, we also agreed, under the relevant memorandum of understanding with the Minibus Operator, to install LCD advertising video display systems and ancillary equipment on its minibuses, and to pay a fixed fee per minibus. We believe that we are one of the only few advertising companies of our scale in Hong Kong which has the capability of providing advertising services on minibuses in the combined format of physical advertising spaces and LCD display systems, and can effectively help the Minibus Operator to further develop the LCD advertising on its minibuses. We also believe that the large number of minibuses in our existing and planned minibus advertising network covering different areas in Hong Kong provides flexibility and more choices for the advertising customers, which together with our large customer base, means that we will be able to successfully promote the minibus advertising spaces of the Minibus Operator. We consider that because of our well-established business relationship with the Minibus Operator for over 10 years, the Minibus Operator is well aware of our credit-worthiness and trusts that we will effectively promote its advertising spaces, which in turns means that it can generate a stable income from the advertising spaces on its minibuses to be covered by our exclusive license;

(d) the Health Check Service Provider commenced its relationship with us as our customer in 2008 for placing advertisement on our advertising spaces in public hospitals, and since then it has also started to provide advertising spaces to us in its clinics. We believe that as a result of such relationship, it recognises the strength of our unique healthcare advertising platform, combining our exclusive advertising spaces in public hospitals, minibuses with fixed routes reaching major hospitals, and in clinics of a major of private healthcare service provider in Hong Kong, as well as our base of healthcare-related advertising customers for this platform;

(e) for the Online Van Operator, with whom we had started our discussion for cooperation opportunities in 2016, we believe that our position as a leading minibus advertising service provider in Hong Kong and our industry experience as set out above will enable us to effectively promote the advertising on the relevant trucks and vans;

(f) the Taxiboard Owner is the owner of the patented design of the "Taxiboard" and is not an advertising space provider, which, to the best of our understanding, does not have well-established relationship with taxi operators, and who we believe can leverage on our established connection with taxi operators to promote and utilise its "Taxiboard" design; and

(iv) we had not encountered any material dispute or disagreement with these Platform Providers in the past.

Our Directors are of the view that the Platform Providers are attracted by our competitive advantages set out above to enter into the relevant memoranda of understanding with us, and cooperate with us.

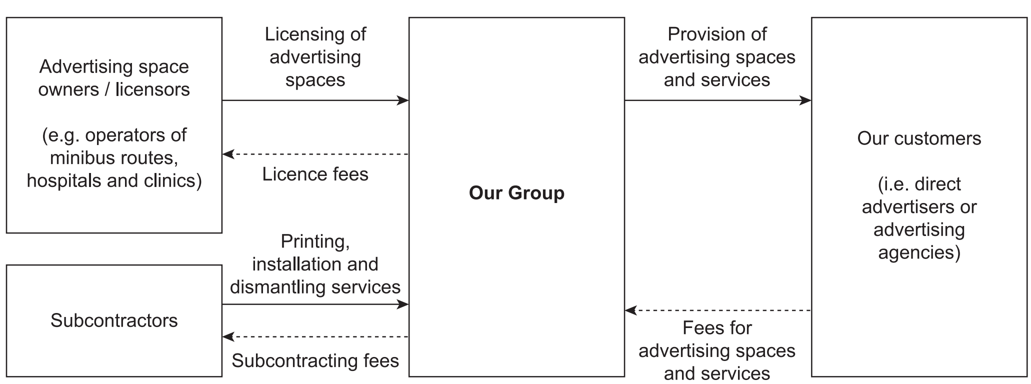
By signing the memoranda of understanding, we believe that these Platform Providers intend to cooperate with us subject to the signing of binding agreements. In respect of the Minibus Operator, it is a major minibus operator, and will continue to rent its advertising spaces to others, whereas our intention was to rent up to 600 minibuses exclusively. For the Health Check Service Provider, it intends to explore the format of display panels and media broadcasting system through its intended cooperation with us, and these potential LCD advertising panels have not been installed. For the Taxiboard Owner, it does not own existing advertising spaces on the taxies, and will cooperate with us and leverage on our existing network and business relationship to locate the taxies on which to install its Taxiboards. For the Online Van Operator, we intend to rent advertising spaces on a total of about 200 light goods trucks and vans in its network, as one of the licensees for advertising spaces on the large number of trucks and vans in its network, subject to the signing of the binding agreements. To the best of our understanding and belief, with our proven track record, well-established relationships with the Platform Providers and that various memoranda of understanding were signed, nothing has come to our Directors' attention which indicates that the Platform Providers are in discussion with our competitors for the relevant advertising spaces or indicates that the Platform Providers do not have the intention to cooperate with us as planned and sign binding agreements with us.

BUSINESS MODEL

We generate revenue by providing advertising spaces and services to our customers in Hong Kong, which are advertisers aiming to promote their brands, products or services, or advertising agents acting for such advertisers. For FY2016, revenue generated from end-users and intermediaries were 76.1% and 23.9% of our total revenue, respectively. We also provide design and production, ancillary advertisement logistics, installation and dismantling services as part of our advertising services. In order to cater for the needs of advertisers, we offer advertising packages which include provision of advertising spaces and services.

We license advertising spaces from licensors, which include operators of minibuses, hospitals, clinics and a leading health and beauty retail chain in Hong Kong, the majority of which are on an exclusive and long-term basis. The exclusive licenses generally require us to promote the relevant advertising spaces to advertisers and pay a minimum annual license fee to the licensors. Some of the licensing arrangements contain provision for profit sharing on a percentage basis if a specified threshold is exceeded. Depending on the requirements of our customers, we may also secure advertising spaces from other owners on non-exclusive basis. In FY2016, revenue generated from non-exclusive advertising spaces on minibuses and taxis were HK$14.9 million and HK$0.6 million, representing 26.7% and 1.1% of our revenue for FY2016, respectively.

We generally subcontract the advertisement printing, installation and dismantling services to subcontractors, as the printing of advertisement requires specialised and large-scale printing equipment and the installation and dismantling process is labour intensive. However, we remain responsible for supervising and overseeing the work of these sub-contractors.



ADVERTISING SPACES AND SERVICES

Advertising Spaces

We have an established and wide network of exclusive advertising spaces, including advertising spaces on 752 minibuses, in 18 hospitals, 23 medical clinics and 179 retail stores of a leading health and beauty retail chain and 36 taxis in Hong Kong, and 13 stores of the health and beauty retail chain in Macau as at 30 June 2016. The following table sets out a summary of our principal exclusive advertising spaces as at 30 June 2016.

Location/Type	Number of vehicles/sites	Number of advertising spaces
Minibuses	752	752 advertising spaces on the minibus bodies and 752 advertising spaces at the back of passenger seats
Hospitals and Clinics		
• Public hospitals	17 hospitals	375 poster panels for printed advertisement and 16 digital display panels
• Private hospital	1 hospital	7 poster panels for printed advertisement
• Clinics	23 clinics	24 video display screens
Health and Beauty Retail Stores		
• Hong Kong	179 stores	183 video display screens
• Macau	13 stores	17 video display screens
Total	192 stores	200 video display screens
Taxi	36 taxis	36 advertising spaces on the taxi bodies

In addition to the above advertising spaces, where a customer requires advertising spaces on other transit routes or at other locations, we will try to procure the relevant advertising spaces from the owners on non-exclusive basis, and provide them to the relevant customer. In FY2016, revenue generated from non-exclusive advertising spaces on minibuses and taxis were HK$14.9 million and HK$0.6 million, representing 26.7% and 1.1% of our revenue for FY2016, respectively.

Minibuses and taxis

We were the largest minibus advertising space and service provider in Hong Kong based on revenue in 2015, according to the CIC Report and we had exclusive rights to provide advertising spaces on approximately 740 minibuses, which represents approximately 17% of the total number of minibuses in Hong Kong as at 31 December 2015. We also provide advertising spaces on 36 taxis on exclusive licensing arrangement with the licensors as at 30 June 2016.

The advertising spaces on minibuses are on the exterior of the vehicles or on the back of the passenger seats, and those on taxis are on the exterior of the vehicles. The advertisement on the minibus and taxi bodies serves like a "moving banner" through the streets for up to 24 hours a day repetitively. They can therefore reach a large number of pedestrians and passengers of other vehicles on the routes of the minibuses and taxis. The advertisement on passenger seats on the other hand have a captive audience while the passenger remains on the minibuses. We also provide advertising spaces on the poles at minibus stations, which can attract the attention of pedestrians and passengers when they are waiting for the minibus.

We believe that minibus passengers represent a wide spectrum of consumers in terms of age, income level and occupation, and minibus advertising enables advertisers to reach a large general audience as well as a local community of the specific minibus route which can increase the effectiveness of their campaign and exposure to the target audience.

The majority of our minibus advertising spaces are on green (fixed routes) minibuses, which has been the focus of our business. As set out in the section "Industry Overview — Minibus Advertising in Hong Kong", the total number of red and green minibuses in Hong Kong is limited to 4,350 vehicles, and as set out in the paragraph "Industry Overview — Market Size of the Hong Kong Minibus Advertising Market" in that section, the Hong Kong Government has encouraged red minibuses to convert to green minibuses through planning and introducing new green minibus routes. As the MTR system in Hong Kong expanded its lines and coverage, the minibus lines are often adjusted accordingly (including addition of new lines connecting to the new MTR stations, cancellation of lines overlapping with the new MTR lines, and adjustment of certain routes), but the total number of minibuses in Hong Kong had remained stable. Further, as set out above, the main attractiveness of minibus advertising is the large advertising spaces on the exterior of the vehicles visible by pedestrians and passengers on other vehicles. Therefore, while the number of passengers on minibuses may be effected by the new MTR lines in the short term, our Directors believe, based on their experience, that the demand for minibus advertising has not been and will not be affected by the expansion of the MTR system. While a small number of minibus routes with our exclusive advertising spaces may be affected when there is a new MTR line, the additional new connecting minibus lines to and from the new MTR stations present us with new opportunities. We pay close attention to the development of the minibus routes, whether due to the expansion of the MTR system or otherwise, when we license for advertising spaces on minibus lines. Having reviewed the public information from the relevant government authorities in respect of the upcoming MTR lines and based on previous experience, such as the opening of the MTR West Island Line, our Directors consider that the MTR expansion will not have a material effect on our minibus advertising business. It is supported by the CIC Report that the commencement of operation of new MTR lines by 2017 is not expected to significantly affect minibus business since lines that will be cancelled or integrated are mostly related to buses rather than minibus routes. Moreover, according to the statement of the Secretary for Transport and Housing in the Legislative Council, new green minibus routes will serve complementarily with new MTR lines, operating as connections between MTR stations and residential areas.

Depending on the requirements of our customers, we may also obtain advertising spaces on minibuses and taxis from operators with whom we have not entered into exclusive license arrangements or the agents or advertising companies acting for them.

Hospitals and clinics

As at 30 June 2016, our advertising services cover over 400 advertising spaces in hospitals and clinics in Hong Kong, comprising advertising spaces inside 17 public hospitals, 1 private hospital and 23 clinics operated by a major healthcare centre operator in Hong Kong. The advertising spaces include over 380 advertising poster panels for printed materials in hospitals and 24 video display screens in clinics. We are the only company licensed to provide advertising spaces inside public hospitals in Hong Kong as at the Latest Practicable Date.

Advertising spaces in hospitals and clinics provide advertisers with a captive audience because of the usually long waiting time for patients. Advertisers for these advertising spaces include generally drugs, medical device and insurance companies which target healthcare professionals, patients or visitors to hospitals and clinics.

The format of our hospital advertising media include posters of different sizes, stickers on wall, digital display panels, generally situated at the entrances, emergency rooms, waiting areas, specialty departments and pharmacies. We install and own the digital display panels in the public hospitals during the term of our license agreement, and the ownership of the display is transferred to the hospital operator at the expiry of the term.

There are certain technical requirements on the tenderers in case of licensing of advertising spaces in public hospitals. We were required to submit organisational structure, working experience and capacity, handover proposal with incumbent contractor, marketing and promotion strategy, implementation timetable, complaint handling system and defect rectification system together with our tender for selection.

Our clinic advertising is mainly in the form of digital display panels in 23 clinics in Hong Kong, and advertisements in a quarterly magazine on healthcare related topics issued by the medical clinic chain operator with about 12,000 hardcopies published quarterly and 50,000 online subscribers.

In addition, we believe that our advertising spaces on minibuses with routes to major hospitals provide synergy with our hospital advertising platform, as they both reach the audiences of patients, hospital visitors and healthcare professionals, which are the target customers of pharmaceutical and healthcare product and service companies.

Health and beauty retail stores

Our advertising spaces include 200 video display screens in the retail stores of a leading health and beauty retail chain in Hong Kong, with 179 stores in Hong Kong and 13 stores in Macau, as at 30 June 2016.

The advertising format in the health and beauty retail stores also include covers of the sensormatic security devices at the store entrance and in-store media display screens in some of the stores. We believe that retail store advertising is effective for influencing the purchasing behaviour of consumers at retail locations to establish or enhance the link between sales promotion and consumer purchasing decisions. The in-store media display screens are owned by the licensor, while the media system servers are installed and owned by us.

For the health and beauty retail stores segment, we recorded a revenue of HK$4.2 million, HK$3.5 million and HK$0.6 million for FY2015, FY2016 and 1Q2017, respectively and a gross profit/(loss) of HK$1.3 million, HK$(0.8 million) and HK$(0.5 million) for the corresponding periods. Our advertising spaces in health and beauty retail stores turned from recording a gross profit in FY2015 to incurring a gross loss in FY2016 and 1Q2017 primarily because of the increase in license fees paid/payable to the licensor during the year/period. To improve the profitability of this segment, our sales and marketing team is currently actively soliciting new customers for this segment and had in August 2016 entered into memoranda of understanding with a few potential customers who will place their advertisement on the relevant advertising spaces.

Advertising Space Occupancy

The occupancy rate for our exclusive advertising spaces on minibuses were approximately 65%, 79% and 84% for FY2015, FY2016 and 1Q2017, respectively. The following table sets out information on the number and occupancy rate of our exclusive advertising spaces by category for the periods indicated.

Location	Type	For FY2015	For FY2016	For 1Q2017
		Occupancy (%)	Occupancy (%)	Occupancy (%)
Minibus	Vehicles[(1), (2)]	65%	79%	84%
Taxis	Vehicles[(1), (2)]	N/A[(6)]	100%	100%
Public hospitals	Poster panels[(3)]	45%	43%	53%
Public hospitals	Digital display panels[(4)]	20%	38%	36%
Private hospitals	Poster panels[(3)]	76%	91%	78%
Clinics	Video display screens[(4)]	N/A[(6)]	17%	20%
Health and beauty retail stores	Video display screens[(5)]	40%	28%	40%

Notes:

The occupancy rates are calculated on the bases and assumptions set out below.

(1) The contracting unit for advertising spaces for minibuses and taxis is one vehicle for one month. The maximum number of available units for the year/period is the number of vehicles times 12 for FY2015 and FY2016; and times 3 for 1Q2017. The occupancy rate is calculated by dividing the number of units occupied by customers' advertisements by the maximum available units for the year/period.

(2) The occupancy rate is calculated for our exclusive advertising spaces for minibuses and taxis only. For non-exclusive advertising spaces, we generally only license the spaces from the owners on an as-needed basis where required by our customers; therefore the non-exclusive advertising spaces are not included in the table.

(3) The contracting unit for poster panels in public hospitals and private hospital is one poster for one month. The maximum number of available unit for the year/period is the number of poster times 12 for FY2015 and FY2016; and times 3 for 1Q2017. The occupancy rate is calculated by dividing the number of units occupied by customers' advertisements by the maximum available units for the year/period.

(4) The contracting unit for digital display panels in public hospitals and video display screens in clinics is a 60-second slot of display time (which is repeated 6 times per hour) for one month. The maximum number of available units for each month is 10 (i.e. assuming each advertisement is 60-second and there are a total of 10 available units for each loop), and the total number of available units for the year/period is 10 times 12 for FY2015 and FY2016; and 10 times 3 for 1Q2017. The occupancy rate is calculated by dividing the number of units occupied by customers' advertisements by the maximum available units for the period.

(5) The contracting unit for video display screens in health and beauty retail stores is by number of seconds of airtime for one month. The video is shown across all screens in the system. The total available units for one month is 600 seconds. The occupancy rate for a month is calculated by dividing the number of seconds occupied by customers' advertisements by 600 seconds.

(6) The respective businesses had not yet commenced for the relevant period.

Advertising Services

In addition to provision of advertising spaces, we provide our customers convenient ancillary services including advertisement logistics, installation and dismantling services as part of our services, as well as design, graphic production and printing services.

We have a dedicated sales and marketing team of sales representatives who serve as the primary contact point and ensure our customer's needs are met promptly and satisfactorily. Our staff also includes an in-house graphic designer. With the support of our extensive industry knowhow, we are able to deliver creative, comprehensive media solutions to meet the unique advertising needs of our customers and proactively provide them with creative suggestions.

OPERATIONS

Marketing and Sales

We maintain a strong sales and marketing orientation, which we believe helps us to increase our customer base and better understand and serve our customers.

We provide marketing pamphlets to our potential customers, which include information on our advertising packages, advantages of our advertising services, statistics on the target audience (such as gender, age distribution, marital status, education level, occupation and personal income, where such information is available), and pricing information.

We conduct sales activities through our operation team, which contacts and responds to our potential customers by phone.

We also display our corporate logo and customer service hotline number on advertisements on minibuses and taxis to promote our services.

Production and Review

While some of our customers provide their advertisement to us for installation, we may also provide design, installation and dismantling services to our customers. Our in-house designer can work with our customers to create proposals and mock-ups for their consideration. We then revise the design of the advertisement according to their suggestions and requests.

For advertisements to be displayed in public hospitals, we will conduct a preliminary assessment before sending the proposed advertisement to be reviewed and approved by a censorship committee of the managing body of public hospitals in Hong Kong based on its censorship guideline, which usually take approximately three weeks in a typical case. We adopt an internal guideline which is similar to the censorship guideline used for public hospital advertisement.

We keep our staff abreast of the relevant regulatory requirements in Hong Kong which are applicable to the advertisements displayed on our advertising spaces. Our internal guideline requires our staff to review and examine all advertisement before publication to ensure that the contents of the advertisement comply with the applicable regulatory requirements, to check and ensure that the images and logos which appear on the advertisement do not violate any intellectual property rights, and that the overall design and messages of the advertisement do not suggest or provoke discrimination. During the Track Record Period and up to the Latest Practicable Date, we had not received any complaints regarding the contents of the advertisement displayed on our advertising spaces.

After we approve and finalise the advertisement with the customer, we engage third-party printing service providers to print the advertisement. We then coordinate with the advertising space owner or operator to arrange for installation of the advertisement by our subcontractors. For digital media display in hospitals and the health and beauty retail chain stores, we generally produce the digital media, which are transmitted to the server maintained by the owners for display at the screens at the relevant location.

Installation, Maintenance and Removal

We generally engage subcontractors for the installation, maintenance and dismantling of advertisement, but we remain responsible for supervising and overseeing the work of these sub-contractors.

During the display period, we perform maintenance checks for advertisement in public hospitals to ensure that they are properly and securely installed in the correct location for the correct period of time and that they are consistently kept clean and in good working order. For advertisement at other locations, we repair them when necessary if any damage of advertisement is notified to us.

After the installation of the advertisement, we provide a report to the customer which includes the type, quantity and other information about the advertisement.

Information Management System

We utilise a computerised information management system to manage our advertising spaces, contracts, sales, and advertising space reservation. We have customised our information management system developed by an external software developer with our specific requirements. With our information management system, our employees are able to review the availability of our advertising spaces on a real time basis to provide updated information to our customers. We intend to further enhance and improve the efficiency of our information management system, as set out in the sub-section “Our Strategies — Enhance our information management system” in this section.

SALES AND CUSTOMERS

Principal Terms for our Advertising Services with Customers

Our advertising services include principally the provision of advertising spaces, advertisement installation, maintenance and dismantling services. We may also provide graphic design and graphic production services if required by the customers.

The table below sets out the typical terms of our advertising service arrangements with our customers.

Location of advertising spaces	Minibus and taxis	Hospitals	Clinics	Health and beauty retail stores
Duration	Generally 3 to 12 months	6 months	12 months	1 to 52 weeks
Fee	Fixed fee for each contract period for each advertising space	Fixed fee for entire contract period for each advertising space	Fee based on duration and frequency of display	Fixed weekly rate
Payment term	Payable upon installation or on quarterly basis by corporate customers; and with credit period of 30 to 90 days by intermediaries	Payable upon installation or on quarterly basis	Payable upon installation or on quarterly/half year basis	Payable upon installation or on quarterly basis
Approval process	N/A	Submission to licensor in advance	Submission to licensor in advance	Submission to licensor in advance
Indemnity	Customer to indemnify us for infringement of third parties' intellectual property rights by the advertisements	Customer to indemnify us for infringement of third parties' intellectual property rights by the advertisements	Customer to indemnify us for infringement of third parties' intellectual property rights by the advertisements	Customer to indemnify us for infringement of third parties' intellectual property rights by the advertisements
Termination clause	N/A	N/A	N/A	N/A

Pricing Policy

For minibus advertising services, we categorise the advertising spaces into five different grades according to their routes based on the routes, demand and availability, which is measured by the occupancy rate and our cost of licensing the relevant advertising space. We provide discount with pre-agreed rates or rebates to our major advertising agency customers which are based on the total sales per year. Our sales director reviews our prices generally on a weekly basis, and may adjust them based on the occupancy rate.

For advertising services in hospitals and clinics, we also categorise the advertising spaces into different grades according to factors such as the format, location, volume of target audience.

For advertising services in the health and beauty retail stores, our fees are determined by the length of the video to be played at the digital advertising video system, and the period of contract.

A significant portion of our costs comprises licensee fee paid to our licensors. In order to secure better advertising spaces for our customers, we opted for exclusive arrangements with the majority of our licensors. As a result, we are subject to the relatively high minimum guaranteed license fee charged by our licensors. In case of any increase of such fee, our Directors and sales team will have to assess the impact of the fee increase and balance with the popularity and demand of the relevant advertising spaces. As a general principle, popularity and demand will be the overriding factors in considering the extent to which we pass on the cost increase to our customers. We may not be able to pass on the cost increase to our customers effectively if the occupancy rate and demand of the relevant advertising space is relatively low. While in most cases we may be able to pass on the burden of increase in licensing fees to our customers, in some cases we may be prepared to make a loss on certain particular routes, as long as the overall margin on the contract with such customers (which usually involve them conducting a marketing campaign with us which cover both exclusive and non-exclusive routes in different districts from both direct owners or media agencies) is positive. Our ability to maintain flexibility in pricing on some of our non-exclusive routes in these cases, taking advantage of our vast coverage of both exclusive and non-exclusive routes, allows us to provide more comprehensive advertising offerings and more competitive overall pricings to our customers.

Customer Service

We place a high priority on providing our customers with consistently high quality service and support, which we believe is critical to our long-term success. As at the Latest Practicable Date, we had a team of nine sales representatives. Our sales representatives are equipped with industry know-how to provide professional guidance on advertising medium selection and our price and services.

Customer Feedback and Complaint Handling

We consider customer feedbacks a valuable tool for improving our service. We take customer complaint seriously and have established a set of procedures for handling customer complaints. During the Track Record Period and up to the Latest Practicable Date, we had not received any complaint that has material effect on our business operation or results of operation.

Seasonality

We have not experienced any material seasonal fluctuation in our sales during the Track Record Period.

Customers

We have established a large and diversified customer base of over 600 customers for FY2016. Our customers comprise intermediaries and end-users, which include major local and international companies engaged in pharmaceutical, healthcare, beauty, food and beverage, furniture and entertainment industries in Hong Kong.

Major customers

For FY2015, FY2016 and 1Q2017, our five largest customers accounted for 31.3%, 24.5% and 25.0% of our total revenue, while the largest customer accounted for 14.4%, 9.9% and 7.2%, respectively of our total revenue for the same period.

We seek to build up long-term relationships with our customers, and have maintained over five years of business relationships with most of our major customers as at the Latest Practicable Date.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owns more than 5% of our issued share capital or of any of our subsidiaries, had any interest in any of our five largest customers during the Track Record Period.

The table below set out further details of our top five customers for the periods indicated:

For FY2015

Customer	Background and principal business	Years of relationship	Transaction amount (HK$ million)	% of our revenue
Customer A	A member of a global U.S.-based advertising media group operating in Hong Kong	Over 8	7.1	14.4
Customer B	A member of a global provider of marketing services including web development, media planning, analytics, mobile and advertising, operating in Hong Kong	Over 5	4.0	8.2
Customer C	A global communications planning and media buying company	Over 6	2.1	4.3
Hong Kong Health Check and Medical Diagnostic Group Limited	A provider of medical diagnostic and imaging services in Hong Kong with 10 service centres	Over 7	1.2	2.4
Adwise Advertising Limited	A provider of integrated branding solutions including brand strategy, advertising, graphic design and event management in Hong Kong	Over 6	1.0	2.1
Total			**15.3**	**31.3**

For FY2016

Customer	Background and principal business	Years of relationship	Transaction amount (HK$ million)	% of our revenue
Customer A	Please see above.	Over 8	5.5	9.9
Customer B	Please see above.	Over 5	2.9	5.1
Customer C	Please see above.	Over 6	2.2	3.9
Marksam Holdings Company Limited	A group manufacturing and distributing products for sound and stage lighting, electronic appliance, commercial lighting and rehabilitation care	Over 1	2.0	3.6
Hong Kong Health Check and Medical Diagnostic Group Limited	Please see above.	Over 7	1.1	1.9
Total			**13.7**	**24.5**

For 1Q2017

Customer	Background and principal business	Years of relationship	Transaction amount (HK$ million)	% of our revenue
Customer A	Please see above.	Over 8	1.1	7.2
Customer D	A political party in Hong Kong	Over 6	0.8	5.7
Customer E	A political party in Hong Kong	1	0.7	4.7
Customer B	Please see above.	Over 5	0.6	4.0
Customer C	Please see above.	Over 6	0.5	3.5
Total			**3.7**	**25.0**

SUPPLIERS

Our principal suppliers are licensors of advertising spaces. We license advertising spaces from over 70 licensors in FY2016. We have long-term and stable relationship with our major licensors for two to eleven years, with most of them for over seven years.

We believe that our size and focus on long-term supplier relationships enable us to secure advertising spaces at favourable prices and on favourable terms. As advised by our Hong Kong Legal Counsel, we have not been in nor is in contravention of the Competition Ordinance.

Our Hong Kong Legal Counsel opined that we, being one of the leaders in the out-of-home advertising market in Hong Kong, have gained favourable prices and favourable terms in the licensing agreements through genuine negotiations with the suppliers. As advised by our Hong Kong Legal Counsel, we have not been in nor is in contravention of the Competition Ordinance.

The table below set out information on our top five suppliers for the periods indicated:

For FY2015

Supplier	Background and principal business	Years of relationship	Transaction amount (HK$ million)	% of our cost of sales
Supplier A	A statutory body responsible for managing Hong Kong's public hospitals services	Over 8	3.5	14.6
Supplier B	An operator of green minibus routes in Hong Kong	Over 11	3.5	14.3
Supplier C	A health and beauty retail group based in Hong Kong, with over 12,000 stores in 25 markets worldwide	Over 7	2.6	10.8
Supplier D	A media advertising agency in Hong Kong, specializing in minibus body advertising, production and installation of outdoor advertising formats	Over 2	2.4	9.9
Supplier E	An operator of green minibus routes in Hong Kong	Over 9	1.5	6.2
Total			**13.5**	**55.7**

For FY2016

Supplier	Background and principal business	Years of relationship	Transaction amount (HK$ million)	% of our cost of sales
Supplier C	Please see above.	Over 7	4.1	14.2
Supplier B	Please see above.	Over 11	3.6	12.5
Supplier A	Please see above.	Over 8	3.4	11.5
Supplier D	Please see above.	Over 2	3.3	11.3
Supplier F	A media advertising agency in Hong Kong, specializing in minibus body, seatback, bus-stop sign, other outdoor media, television, radio, newspapers and magazines	Over 8	1.6	5.6
Total			**16.1**	**55.0**

For 1Q2017

Supplier	Background and principal business	Years of relationship	Transaction amount (HK$ million)	% of our cost of sales
Supplier C	Please see above.	Over 7	1.1	13.4
Supplier B	Please see above.	Over 11	0.9	11.4
Supplier D	Please see above.	Over 2	0.7	8.9
Supplier A	Please see above.	Over 8	0.7	8.5
Supplier F	Please see above.	Over 8	0.4	5.2
Total			**3.7**	**47.3**

Securing Advertising Spaces

We generally secure our advertising spaces by oral bids, tenders or negotiation. Advertising spaces on minibuses are usually obtained by oral bids or negotiation. For public hospitals, we secure the advertising spaces through tendering.

Principal terms of our major licensing agreements

The table below sets out the typical principal terms of our agreements with minibus operators with existing exclusive licenses with us for advertising spaces on minibuses as at the Latest Practicable Date.

Minibus operator	Type advertising spaces	Duration of agreement(s)	Fee/Payment term	Other major provisions
Operator A	Exterior of and seat back on minibuses	3 years	Fixed annual fee; payable quarterly	— We should ensure advertisements are in compliance with laws and regulations and not infringe intellectual property rights of third parties — We should maintain reasonable public and employer liability insurance — Agreement will be terminated if we commit material breach of agreement or we go into liquidation
Operator B	Exterior of and seat back on minibuses	3 years	Fixed monthly fee per minibus; payable quarterly	— We provide the seat covers with advertising spaces — License will cover any additional minibuses operated by Operator B
Operator C	Exterior of and seat back on minibuses	5 years	Fixed annual fee per minibus; payable quarterly	— We have right of priority to renew the agreement — License will cover any additional minibuses operated by Operator C
Operator D	Exterior of minibuses	4 years	Fixed monthly fee per minibus, increased for each year; payable quarterly	— Advertisements should comply with laws
Operator E	Exterior of and seat back on minibuses	4 years	Fixed annual fee per minibus; payable quarterly	— We provide the seat covers with advertising spaces — License will cover any additional minibuses operated by Operator E
Operator F	Exterior of and seat back on minibuses	4 years	Fixed monthly fee per minibus, increased for third year; payable quarterly	— We have right of priority to renew the agreement and to license other minibus lines operated by Minibus Operator F
Operator G	Exterior of and seat back on minibuses	3 years	Fixed annual fee per minibus; payable quarterly	— Advertisements of political party should be reviewed by Operator G
Operator H	Exterior of minibuses	4 years	Fixed annual fee per minibus; payable quarterly	— License will cover any additional minibuses operated by Operator H

Minibus operator	Type advertising spaces	Duration of agreement(s)	Fee/Payment term	Other major provisions
Operator I	Exterior of minibuses	4 years	Fixed annual fee per minibus; payable quarterly	— License will cover any additional minibuses operated by Operator I
Operator J	Exterior of and seat back on minibuses	3.5 years	Fixed annual fee per minibus; payable quarterly	— License will cover any additional minibuses operated by Operator J
Operator K	Exterior of and seat back on minibuses	4 years	Fixed annual fee per minibus; payable quarterly	— We have right of priority to renew the agreement — License will cover any additional minibuses operated by Operator K
Operator L	Exterior of and seat back on minibuses	2 years	Fixed annual fee per minibus; payable quarterly	— We have right of priority to renew the agreement — Automatically renewed for two years unless objected to by either party — License will cover any additional minibuses operated by Operator L
Operator M	Exterior of and seat back on minibuses	2 years	Fixed annual fee per minibus; payable quarterly	— Automatically renewed for two years unless objected to by either party — License will cover any additional minibuses operated by Operator M
Operator N	Exterior of and seat back on minibuses	3 years	Fixed annual fee per minibus; payable quarterly	— License will cover any additional minibuses operated by Operator N
Operator O	Exterior of and seat back on minibuses	3 years	Fixed annual fee per minibus; payable quarterly	— Automatically renewed for two years unless objected to by either party — We have right of priority to renew the agreement
Operator P	Exterior of and seat back on minibuses	4 years	Fixed monthly fee per minibus, increased for each year; payable quarterly	— License will cover any additional minibuses operated by Operator P — We have to provide bank guarantee for our performance
Operator Q	Exterior of and seat back on minibuses	4 years	Fixed annual fee per minibus; payable quarterly	— Automatically renewed for two years unless objected to by either party — License will cover any additional minibuses operated by Operator Q
Operator R	Exterior of and seat back on minibuses	4 years	Fixed annual fee per minibus; payable quarterly	— Automatically renewed for two years unless objected to by either party — License will cover any additional minibuses operated by Operator R

Our licenses with minibus operators generally do not require approval process prior to installation, do not include indemnity clauses for the licensors' loss or damages caused by the advertisements or our act, and do not contain specific termination or renewal provision, which means that they expire at the end of the term, and may be renegotiated for renewal.

The table below sets out the typical principal terms of our agreements with our other major advertising space licensors for exclusive advertising spaces.

Types	Taxi	Public hospitals	Clinics	Health and beauty retail stores
Licensors	Taxi operators	Statutory body managing and operating public hospitals in Hong Kong	A healthcare centre and clinic operator	A leading health and beauty store chain operator in Hong Kong
Advertising medium	Exterior of taxis	Advertising boards and panels in printed or digital display panels inside the hospitals	Video display screens	Mostly video display screens at cashier, and panels at store entrance
Exclusivity arrangement	All taxi body advertising spaces in a pre-agreed number of taxis	All advertising spaces in the 17 public hospitals under the hospital network of the licensor	All video screen display in all clinics of the healthcare centre and clinic operator	All video display screens and panels at store entrance in all stores under the health and beauty store chain operator (except for those stores where video display screens cannot be installed due to the space availability in the stores)
Duration	Generally 1 year	5 years from November 2012	3 years from 1 August 2015	3 years from August 2015
Fee	Annual amount	A minimum guaranteed amount, and a percentage of the gross advertising income above specified threshold	Gross advertising income times fixed percentage	A minimum guaranteed amount, and a percentage of revenue above specified threshold
Payment term	Quarterly	Monthly	Quarterly	Monthly
Approval process prior to installation	No approval process is required	Advertisement has to be provided at least seven days in advance and is subject to licensor's right of rejection	Advertisement has to be provided at least 10 working days in advance and is subject to licensor's right of rejection	Advertisement has to be submitted to licensor before display and is subject to licensor's right of rejection

Types	Taxi	Public hospitals	Clinics	Health and beauty retail stores
Our other rights and obligations	We can display our logo and telephone hotline number for our own advertising	• To maintain employees' compensation insurance, public liability insurance and professional indemnity insurance • To arrange for display and broadcast of advertisement at the advertising spaces	• To provide services to advertisers, including enquiries, sales, booking and revenue collection • To provide adequate infection control training to our staff and workers at the premises • To maintain third party liability insurance in respect of personal injury or death or damages to property in connection with our obligations	• To provide information or copy of our contracts with our customers upon request • To submit to licensor information and rates of our advertising services
Indemnity	No indemnity provision in the agreement	We have to indemnify the licensor's loss and damages including loss from our act, occupation of the advertising spaces and infringement of third parties' intellectual property rights by the advertisements.	We have to indemnify the licensor's loss including loss from our default and infringement of third parties' intellectual property rights by the advertisements.	We have to indemnify the licensor's loss and damages including damages for infringement of third parties' intellectual property rights by the advertisements.
Termination/renewal	No termination/renewal provision in the agreement, and agreement expires at the end of the term and will be renegotiated for renewal	Licensor may terminate: (i) if we do not remedy a breach of the agreement within 7 days; (ii) we become insolvent or resolution for our winding-up is passed; and (iii) if our performance does not meet the standards required by the licensor.	Each party may terminate by serving a three-month notice.	Licensor may terminate: (i) if we do not remedy a breach of the agreement within 20 business days; (ii) resolution for our winding-up is passed; and (iii) if use of advertising space becomes illegal.

For non-exclusive advertising spaces, we license them on an as-needed and usually short-term basis where required by our customers, and we usually have to pay the license fee in advance for securing such advertising spaces.

During the Track Record Period, we had licensed some advertising spaces from media advertising agencies ("**Advertising Agency Licensors**"). These transactions were usually the result of request of our customers for display of their advertisement at specific advertising spaces of these Advertising Agency Licensors, which they had licensed from the relevant owners. We incurred 12.5%, 17.5% and 19.3% of our cost of sales for FY2015, FY2016 and 1Q2017 as payments to these Advertising Agency Licensors. Of our five largest suppliers, Supplier D and Supplier F are Advertising Agency Licensors, and the license fees we paid to them, in aggregate, for FY2015, FY2016 and 1Q2017 were 9.9%, 16.9% and 14.1%, of our cost of sales respectively. Generally, we enjoy a lower gross profit margin in respect of advertising spaces we licensed from such Advertising Agency Licensors as compared to the other licensors who were the owners of advertising spaces.

We have exclusive license for advertising spaces in 17 public hospitals under our license with the authority managing and operating public hospitals in Hong Kong ("**Hospital Licensor**"). For FY2015, FY2016 and 1Q2017, our revenue generated from advertising spaces in public hospitals was HK$8.9 million, HK$7.1 million and HK$2.2 million, representing 18.1%, 12.7% and 14.9% of our revenue, and the gross profit for such advertising spaces was HK$6.4 million, HK$4.6 million and HK$1.5 million, representing 25.7%, 17.3% and 22.0% of our gross profit, respectively.

The term of the license for public hospital advertising spaces is for five years from November 2012, and will expire in November 2017. Our Directors do not foresee any major impediments for the renewal of the license, and we have, on 29 November 2016, received an invitation to submit an expression of interest for the provision of advertising services for the Hospital Licensor upon the expiry of the current license, inviting us to provide information such as the annual guaranteed licence fee and proposed percentage licence fee that we propose to pay in respect of the relevant advertising spaces, description of advertising services and sales and marketing proposal. While the new license for the public hospital advertising spaces will be subject to tender by invitation upon the expiry of the current license, our Directors believe that we have competitive advantages for securing the new license, as (i) we are a well-established and experienced out-of-home advertising space and service provider; (ii) we are currently the only exclusive provider of advertising spaces inside public hospitals and have accumulated relevant experience; (iii) we believe that we have built up a cooperative relationship with the Hospital Licensor in promoting the indoor advertising spaces public hospitals; (iv) we have been compliant with the guidelines provided by the Hospital Licensor for our services, and (v) we are not aware of any relevant material complaint or dissatisfaction about our performance. However, in the event that we are not able to renew our license with the Hospital Licensor, our financial results will be adversely affected. Please see the paragraph above for our revenue and gross profit generated from public hospital advertising during the Track Record Period. For the risk relating to any termination of this and other major licenses, please see the section "Risk Factors — Risks Relating to our Business — If our license agreements for advertising spaces are terminated or not renewed or if we fail to obtain additional advertising spaces, we may be unable to maintain or expand our operations."

Supply during the Track Record Period

During the Track Record Period, there was an increase in the minimum guaranteed license fee for our advertising spaces in health and beauty retail chain. Such increase was mainly due to our health and beauty retail chain licensor raising the minimum guaranteed license fee by approximately 50% since July 2015 when the licensing agreement was renewed in view of our satisfactory performance under the previous agreement. However, due to the slowdown in the retail market in Hong Kong during FY2016 and 1Q2017, this increased minimum guaranteed license fee exceeded our advertising revenue and hence led to a gross loss from this segment. We will continue to closely monitor our business in the health and beauty retail stores to generate more revenue from this segment. Save for the above, we had not been subject to material price increases by our suppliers during the Track Record Period which had material impact on our operation. Please see the section headed "Financial Information — Description of Key Income Statement Items — Gross profit and gross profit margin" for further information.

During the Track Record Period, despite there were renewals of contracts upon expiry with our major advertising space licensors, the general pricing terms had not been materially changed (except for one major advertising space licensor which imposed significant amount of minimum guaranteed license fee upon renewal). The general principle is that prices are either charged at a minimum guaranteed fee alone or coupled with a profit sharing structure. Regarding the one major advertising space licensor, our Directors understand that it changed from a profit sharing fee charge model to imposing a significant minimum guaranteed license fee since they were of the view that we had a satisfactory financial performance in its segment.

Our Major Suppliers

For FY2015, FY2016 and 1Q2017, fees paid to our five largest suppliers represented 55.7%, 55.0% and 47.3%, respectively, of our total cost of sales, and fees paid to our single largest supplier accounted for 14.6%, 14.2% and 13.4%, respectively, of our total cost of sales in the respective years.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owns more than 5% of our issued share capital or of any of our subsidiaries, had any interest in any of our five largest suppliers during the Track Record Period.

Subcontracting of Printing and Installation Processes

We engage subcontractors to provide advertisement printing, installation and dismantling services, as the printing of advertisement requires specialised and large-scale printing equipment and the installation and dismantling process is labour intensive. For

FY2015, FY2016 and 1Q2017, our total subcontracting cost represented 6.4%, 6.7% and 8.2%, respectively, of our cost of sales. We do not enter into any long-term contract with these subcontractors and engage subcontractors on a project by project basis.

We generally select our subcontractors based on their relevant experience and price and we engaged around 10 subcontractors for printing, installation and dismantling services in FY2016. Our subcontractors generally do not require any regulatory license for their operations, except for subcontractors who are engaged in the installation of advertisement light boxes, which hold the relevant license. We remain responsible for supervising and overseeing the work of these sub-contractors.

COMPARISON OF DURATION OF USE OF ADVERTISING SPACES

The following table sets out a comparison of the duration of use of advertising spaces between us and our customers for FY2016:

	Minibuses	Taxis	Public hospitals	Clinics	Health and beauty retail stores
Range of duration of our right to use such advertising spaces *(Note)*	1 to 4 years	Generally 1 year	5 years from November 2012	3 years from August 2015	3 years from August 2015
Average duration of our right to use such advertising spaces *(Note)*	3 years	1 year	N/A	N/A	N/A

Note: This table only sets out the duration of use by us according to the licensing agreements for our exclusive advertising spaces.

	Minibuses	Taxis	Poster Panel	Digital Panel	Clinics	Health and beauty retail stores
Range of duration of our customers' right to use such advertising spaces	1 month to 24 months	31 days to 182 days	1 week to 104 weeks	4 weeks to 52 weeks	31 days to 365 days	7 days to 364 days
Average duration of our customers' right to use such advertising spaces	6.5 months	102 days	30 weeks	19 weeks	253 days	76 days

Note: This table only sets out the duration of use by our customers in relation to our exclusive advertising spaces.

INVENTORY

Because of the nature of our business, we did not carry any inventory during the Track Record Period.

AWARDS AND RECOGNITIONS

We have received various awards over the years, including the following:

Award	Year	Issuer of Award
Caring Company	2016, 2012 to 2015	The Hong Kong Council of Social Service
Hong Kong Awards for Environmental Excellence	2015, 2012, 2011, 2010	Environmental Campaign Committee
HSBC Living Business People Caring Award — Certificate of Merit	2010	The Hongkong and Shanghai Banking Corporation Ltd

MARKET AND COMPETITION

The advertising market in Hong Kong can be divided into four segments by channel: television and broadcast advertising, print media advertising, internet advertising and out-of-home advertising. We provide out-of-home advertising services, which reach the consumers while they are in public places, transit, or specific commercial locations. For 2015, out-of-home advertising market in Hong Kong generated a revenue of HK$3,952.2 million, compared with that of HK$3,292.1 million in 2011, representing a CAGR of 4.7%. Driven by expected increase in preference for out-of-home advertising and increasing population density and time spent outside of home of people in Hong Kong, the market size of out-of-home advertising market in Hong Kong is expected to maintain a stable growth, reaching HK$4,725.1 million by 2020, with a CAGR of 3.8% from 2016 to 2020.

There were approximately 50 out-of-home advertising companies in Hong Kong in 2015. The top five out-of-home advertising companies had an aggregate market share of 81% in terms of revenue in 2015.

Transit Advertising Market in Hong Kong

Transit advertising is a kind of advertisement that is generally placed in or on public transportation vehicles or in public transportation areas. Minibus was the third largest segment in the public transport system of Hong Kong in 2015, with a share of 14.6% in terms of average daily public transport passenger journeys and a total transported volume of 680,499 passengers in 2015. The market size of Hong Kong's minibus advertising market increased to HK$119.7 million in 2015, from HK$85.7 million in 2011, with a CAGR of 8.7% from 2011 to 2015. It is predicted that Hong Kong's minibus advertising market will generate total revenue of HK$162.9 million by 2020, representing a CAGR of 6.0% between 2016 and 2020.

There are approximately 20 minibus advertising companies in Hong Kong in 2015. The top five minibus advertising companies had an aggregate market share of 86.2% in terms of revenue in 2015.

We were the largest company in Hong Kong's minibus advertising market, with a market share of approximately 34.3%. We ranked first in Hong Kong's minibus advertising market in terms of number of exclusive vehicles in 2015, with exclusive advertising spaces on approximately 740 minibuses as at 31 December 2015.

Hospital Advertising and Personal Care Store Advertising Markets in Hong Kong

Hospital advertising refers to advertising launched in hospitals and is a segment of building and facilities advertising. There were 35 public hospitals and 7 other public healthcare institutions, 11 private hospitals, and 59 nursing homes as at 31 December 2015. The number of outpatient attendance increased from 11.6 million people in 2011 to 13.1 million people in 2015.

Personal care store advertising refers to advertising launched in or outside personal care stores and is also a segment of building and facilities advertising market. There were over 800 personal care stores in Hong Kong in 2015, with substantial spaces for retail outlet advertising.

Note: The information in this "Market and Competition" section is based on the CIC Report.

EMPLOYEES

We had a total of 26 employees, who are all located in Hong Kong, as at the Latest Practicable Date. Sets forth below is a breakdown of the number of our employees by functions as at the Latest Practicable Date:

Number of employees	
Management, administrative and accounting	10
Sales and marketing	9
Operations	6
Design	1
TOTAL	26

Employee Training

We believe our employees are vital for our success. We have regular meeting and also provide training to our sales staff including training on sales technique, advertisement content vetting for regulatory compliance and intellectual property-related issue.

PROPERTIES

As at the Latest Practicable Date, we did not own any property and leased one property in Hong Kong, which we use as our office, from a connected person of our Company. Details of this continuing connected transaction are set out in the section headed "Connected Transactions" in this prospectus.

For FY2015, FY2016 and 1Q2017, our expenses for property rental were HK$0.2 million, HK$0.2 million and HK$0.1 million, respectively. During the Track Record Period, we had not experienced any difficulty in renewing our lease.

As at 30 June 2016, no single property interest forming part of our non-property activities had a carrying amount of 15% or more of our total assets. Thus, this prospectus is exempted from compliance with the requirements of Rules 8.01A and 8.01B of the GEM Listing Rules and the requirements of section 342(1) of the Companies (WUMP) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (WUMP) Ordinance, with respect to the inclusion of a property valuation report in this prospectus.

HEALTH, WORK SAFETY, SOCIAL AND ENVIRONMENTAL MATTERS

Our business is subject to certain health, work safety, social and environmental laws and regulations. Our Directors consider that the annual cost of compliance with the applicable health, work safety, social and environmental laws and regulations was not material during the Track Record Period and the cost of such compliance is not expected to be material going forward.

We have not been subject to any material claim or penalty in relation to health, work safety, social and environmental protection or any accident.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, we had applied for the registration of our trademark in Hong Kong. For details of our intellectual property rights, please see the section headed "Statutory and General Information — Further information about our Business — 2.2 Intellectual property rights of our Group" in Appendix IV of this prospectus.

To the best of our Directors' knowledge and belief, during the Track Record Period, there were no material instance of infringement of intellectual property rights or disputes between us, our customers and other third parties in respect of intellectual property rights.

In general, all intellectual property rights relating to our advertising operation are the property of our customers. As most of the materials we print and use in the production of our displays are provided by our customers, there is a risk that we may inadvertently infringe upon intellectual property rights of third party. Accordingly, our staff would review the digital graphics and files received from our customer during the pre-execution stage and may make enquiries with the customer if we have any suspicion that the materials appear to infringe intellectual property rights of third party. If we believe that the materials may infringe the intellectual property rights of others, we would decline to incorporate such material in the production of the advertisement.

We have established the following internal control measures to minimise our exposure to infringement of third party intellectual property rights:

- An indemnity clause is included in the advertising contract to require our customers to fully indemnify us in the event that the graphics, information or other data provided by customers in connection with a work order have infringed the intellectual property rights of any other party.

- An internal policy on intellectual property rights has been established to provide guidelines, and training by a Hong Kong qualified solicitor has been provided to our staff on the measures to prevent infringement such as definition of intellectual property rights, requirement of inclusion of indemnity clause in a quotation or order, actions to be taken if potential infringement occurs.

INSURANCE

Our Directors consider our insurance coverage to be customary for businesses of our size and type and in line with the standard commercial practice. We maintain insurance for employee's compensation for injuries or death in the course of employment, business insurance, public liability insurance and professional indemnity insurance for the use of advertising spaces in public hospitals in Hong Kong. We have not made any material insurance claim during the Track Record Period and up to the Latest Practicable Date.

LEGAL AND COMPLIANCE MATTERS

During the Track Record Period and up to the Latest Practicable Date, we had no material non-compliance incident or systemic non-compliance incident in respect of applicable laws and regulations.

Licenses and Permits

There is no specific licensing requirement for conducting our advertising business in Hong Kong in addition to what is generally required for carrying on businesses in Hong Kong. As at the Latest Practicable Date, we have obtained all material licenses and certificates which are necessary for our operations.

Material Dispute and Litigation

During the Track Record Period and up to the Latest Practicable Date, no member of our Group was involved in any material litigation, claim or arbitration, and no material litigation, claim or arbitration has known to our Directors to be pending or threatened against any member of our Group.

Compliance with the Competition Ordinance

The Competition Ordinance came into effect in December 2015 and it prohibits, among others, anti-competitive agreements or arrangements if the object or effect of the agreement or arrangement is to prevent, restrict or distort competition in Hong Kong. During the Track Record Period, our Hong Kong Legal Counsel is of the view that our Group had complied with the Competition Ordinance during such period. Our Directors consider that the Competition Ordinance had no material impact on our business during the Track Record Period.

In relation to the expansion plans going forward, our Hong Kong Legal Counsel is of the opinion that the preventive measures to be taken by our Group to ensure that the Competition Ordinance is complied with, is to not enter into any arrangement with the competitors in the market that will cause price fixing, output restriction, market sharing and the rigging of potential bids. In the future, our Group will regularly seek legal advice on whether our Group's arrangements comply with the Competition Ordinance.

INTERNAL CONTROL AND RISK MANAGEMENT

Our Directors are responsible for the formulation of and for overseeing the implementation of the internal control measures and the effectiveness of risk management system, which is designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

We have engaged an independent internal control consultant (the "**Internal Control Consultant**") in May 2016 to assist us to review our internal control system and provide recommendations for improving our internal control system. The Internal Control Consultant has conducted certain agreed-upon review procedures on our internal control system in certain aspects, including revenue, expenditure, fixed assets management, human resources, financial reporting and general computer controls.

The Internal Control Consultant has performed follow-up assessment in July 2016. During the internal control review, the Internal Control Consultant has provided some recommendations for our management's consideration to enhance our internal control system. We have implemented such recommendations. As our business continues to expand, we will refine and enhance our internal control systems to respond to the evolving requirements of our expanded operations as appropriate.

We have adopted the following internal control measures to enhance our corporate governance:

(1) our Board includes three independent non-executive Directors to ensure transparency in management and fairness in business decisions and operations. The independent non-executive Directors contribute to the enhancement of corporate value by providing advice and oversight based on their extensive administrative experience and specialised knowledge;

(2) we have strengthened our internal control system to ensure the appropriate functioning of the risk management and operation oversight systems. We have established the audit committee which comprises three independent non-executive Directors to review and monitor the effectiveness of our financial controls, internal control and risk management systems;

(3) our Directors have attended a training session in August 2016 conducted by our Hong Kong legal adviser on, among other things, the obligation, on-going corporate governance requirements and the duties of directors of a company listed on the Stock Exchange; and

(4) we have appointed BOSCI as our compliance adviser to advise us on compliance matters in relation to the Listing Rules.

Investment

Investment strategy

During the Track Record Period, to better utilise our idle cash to gain investment returns, we invested in certain listed debt securities and unlisted debt or equity portfolio funds, comprising certain high yield bonds and funds that were rated as non-investment grade, i.e. medium to high risk, amounting to HK$8.3 million, HK$3.8 million and HK$2.2 million as at 31 March 2015 and 2016 and 30 June 2016, respectively.

We have no intention to continue to invest in the high yield bonds or funds that are rated as non-investment grade after the Listing. In addition, investment transaction should only be entered into for the purpose of enhancing the investment return of its idle cash and the total cumulative exposure of the investment portfolios shall not exceed US$1 million. Only bank fixed deposit denominated in Hong Kong dollars or US dollars which offers fixed return with known maturity date should be considered. Investment in options, futures, derivative, foreign currency forward contracts and other speculative and high risk investment are not allowed.

Please see the section "Financial Information — Discussion of Key Balance Sheet Items — Available-for-sale financial assets" for details of such investment, and see the section "Risk Factors — Our available-for-sale investments may materially and adversely affect our financial condition and results of operations." for the risk in respect of our available-for-sale investment. In addition, we have adopted an investment policy to ensure, among other things, that the investment transactions to be entered into by us are properly reviewed and authorised, further details of which are disclosed below in this section.

Investment policy

We have adopted an investment policy to ensure that, among other things, investment transactions to be entered into by us are properly reviewed and authorised. The investment policy includes the following provisions.

(i) Investment transaction should only be entered into for the purpose of enhancing the investment return of its idle cash and the total cumulative exposure of the investment portfolios shall not exceed US$1 million. Only bank fixed deposit denominated in Hong Kong dollars or US dollars which offers fixed return with known maturity date should be considered.

(ii) Investment in options, futures, derivative, foreign currency forward contracts and other speculative and high risk investment are not allowed.

(iii) The entering into of any investment transactions by us requires the review and approval of the Board. For investment transaction with the principal amount of US$100,000 or above, the quorum of the Board meeting approving the purchase of such investment product must include a majority of the independent non-executive Directors.

(iv) Our finance and accounting department, under the supervision of Ms. Cheung, our Financial Controller and Executive Director, is responsible for ongoing monitoring and control of the risk exposure by submitting an investment exposure report (specifying the maximum loss exposure) to Ms. Chau, our Chairlady, executive Director and Chief Executive Officer, and Mr. da Silva, our Non-Executive Director, for review on a monthly basis which will include a summary of the outstanding investment portfolios including the latest market value of each investment product, the expected cash inflows from each investment product, the gain and loss positions of the investment portfolios, the maturity and settlement dates of each investment product and our investment risk exposure such as the percentage of investment portfolios to its total assets.

(v) Such investment exposure reports shall also be presented to the entire Board and related senior management, if appropriate, for review on a quarterly basis.

Having considered the above enhanced internal control measures, our Directors are of the view that the internal control systems are adequate and sufficient in the circumstances.

Advertisement vetting procedures to ensure compliance with relevant laws and regulations or intellectual property rights of third party

As most of the materials we print and use in the production of our displays are provided by our customers, there is a risk that we may inadvertently infringe the relevant laws and regulations, such as the Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong) and the Advertisements Regulation (Chapter 132B of the Laws of Hong Kong), as set out the "Regulatory Overview" section, or intellectual property rights of third party. Accordingly, our operation executive would review the digital graphics and files received from our customer during the pre-execution stage and may make enquiries with the customer if we have any suspicion that the materials appear to infringe the relevant laws and regulations or the intellectual property rights of third party. If we believe that the materials may infringe the relevant laws and regulations or the intellectual property rights of others, our executive Directors, Ms. Chau or Mr. Lean Chun Wai will consider and decide, and if necessary seek advice from a Hong Kong qualified solicitor, as to whether to decline to incorporate such material in the production of the advertisement.

We have also established an internal policy to enhance our internal control in this respect, which includes the provision of relevant guidelines, and training by a Hong Kong qualified solicitor, to our staff on the measures to prevent the potential infringement, such as requirements of the relevant laws and regulations, the definition of obscene or indecent material, intellectual property rights, and actions to be taken if there is any potential infringement.

Corporate Governance

We strive to strengthen the role of our Board as a body responsible for decision-making concerning our fundamental policies and upper-level management issues, and supervising the execution of our operation. Our Board includes three independent non-executive Directors to ensure transparency in management and fairness in business decisions and operations. The independent non-executive Directors contribute to the enhancement of corporate value by providing advice and oversight based on their extensive administrative experience and specialised knowledge.

We have established the audit committee which comprises three independent non-executive Directors to review and monitor the effectiveness of our financial controls, internal control and risk management systems.

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Placing and Capitalisation Issue (and not taking into account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), BVI-Chau will directly hold approximately 38.70% of the issued share capital of our Company. The entire issued share capital of BVI-Chau is owned by Ms. Chau. Details of the background of Ms. Chau are set out in the section headed “Directors and Senior Management” in this prospectus.

For the purpose of the GEM Listing Rules, Ms. Chau and BVI-Chau were the Controlling Shareholders of our Company as at the Latest Practicable Date.

As at the Latest Practicable Date, our Controlling Shareholders confirmed that, apart from the business operated by members of our Group, they and their respective close associates and/or companies controlled by them do not hold or conduct any business which competes, or is likely to compete, either directly or indirectly, with the business of our Group, and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors do not expect that there will be any other significant transactions between our Group and our Controlling Shareholders upon or shortly after the Listing.

Our Group is capable of carrying on our business independently from and does not place undue reliance on our Controlling Shareholders, taking into consideration the following factors:

Management independence

Our Board comprises three executive Directors, one non-executive Director and three INEDs. Ms. Chau is one of our executive Directors and is also a Controlling Shareholder.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

We have an independent management team to carry out the business decisions of our Group independently and to perform all essential management functions (such as operating our principal businesses, invoicing and billing, and human resources and information technology) without unduly requiring the support of our Controlling Shareholders. Our INEDs have sufficient and competent industry knowledge and experience, and will bring independent judgment to the decision making process of our Board, taking into account the advice of the senior management of our Group.

Our Directors are satisfied that our senior management team is able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders after the Listing.

Business independence

Save for the related party transactions disclosed in note 24 of the accountant's report set out in Appendix I to this prospectus, there were no material business dealings between our Group and the Controlling Shareholders during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, our Group and our Controlling Shareholders did not have any common or shared resources. Neither our Controlling Shareholders nor any of their respective close associates is a supplier or an intermediary for our Group's supplies. We have independent access to our customers. Our Directors believe that our Group has not unduly relied on the Controlling Shareholders or their respective close associates to carry on its business during the Track Record Period.

Financial independence

During the Track Record Period, we principally financed our operations through internally generated cash flows and borrowings from the banks which were guaranteed by the Controlling Shareholders together with their respective associates. As at 31 March 2015, 31 March 2016 and 30 June 2016, loans and borrowings of HK$2.5 million, HK$1.0 million and HK$0.8 million provided to our Group were secured by guarantees given by (among other persons) Ms. Chau, our Controlling Shareholder.

All securities and guarantees provided by the Controlling Shareholders in connection with our Group's borrowings were released on 15 December 2016.

Save as mentioned above, our source of funding is independent from our Controlling Shareholders, and none of our Controlling Shareholders or their respective close associates financed our operations during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we had independent financial and accounting and internal control systems, independent treasury function for receiving cash and making payments, and we had independent access to third party financing. Our Group is capable of making financial decisions according to our own business needs. Our Directors also believe that we are able to obtain financing independent from our Controlling Shareholders and their respective close associates after Listing.

Save as aforesaid, our Group does not rely on our Controlling Shareholders and/or their respective close associates by virtue of their provision of financial assistance.

Operational independence

Our Board has full rights to make decisions on the overall strategic development and management and operational aspects of our Group, and all of the essential operational functions including business development, marketing and sales operations, have been and will be overseen by our management team separately and independently from the Controlling Shareholders. The management team of our Group has been and will be able to seek business opportunities for our Group. The capability of our Group to operate independently from the Controlling Shareholders is not considered to be a concern.

COMPETITION AND CONFLICT OF INTERESTS

Undertakings given by Controlling Shareholders

Each of our Controlling Shareholders has confirmed that none of them or their respective close associates is engaged in, or interested in any business (other than our Group) which, directly or indirectly, competes or may compete with our business or has or may have any conflict of interests with our Group. To protect our Group from any potential competition, the Controlling Shareholders (collectively, the "**Covenantors**") have given non-compete undertakings (the "**Non-Compete Undertakings**") in favor of our Company which are contained in the share swap agreement (in respect of the entire issued shares in MSL) dated 30 November 2016, pursuant to which the Covenantors have, among other matters, irrevocably undertaken to us on a joint and several basis that at any time during the Relevant Period (as defined below), each of the Covenantors shall, and shall procure that their respective close associates and/or companies controlled by them (other than our Group) shall:

(i) not, directly or indirectly, be interested or involved or engaged in or acquire or hold any right or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the business currently engaged by our Group (including but limited to advertising media services) in Hong Kong and/or any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on business mentioned above from time to time (the "**Restricted Activity**");

(ii) not solicit any existing employee of our Group for employment by it/him or its/his close associates (excluding our Group);

(iii) not, without the consent from our Company, make use of any information pertaining to the business of our Group which may have come to its/his knowledge in its/his capacity as our Controlling Shareholder for any purpose of engaging, investing or participating in any Restricted Activity;

(iv) if there is any project or new business opportunity that relates to the Restricted Activity, refer such project or new business opportunity to our Group for consideration;

(v) not invest or participate in any Restricted Activity; and

(vi) procure its/his close associates (excluding our Group) not to invest or participate in any project or business opportunity of the Restricted Activity.

The above undertakings (i) and (vi) are subject to the exception that any of the close associates of the Covenantors (excluding our Group) are entitled to invest, participate and be engaged in any Restricted Activity or any project or business opportunity, regardless of value, which has been offered or made available to our Group, provided always that information about the principal terms thereof has been disclosed to our Company and our Directors, and our Company shall have, after review and approval by our Directors (including our INEDs without the attendance by any Director with beneficial interest in such project or business opportunities at the meeting, in which resolutions have been duly passed by the majority of the INEDs), confirmed its rejection to be involved or engaged, or to participate, in the relevant Restricted Activity and provided also that the principal terms on which that relevant close associate of the Covenantor(s) invests, participates or engages in the Restricted Activity are substantially the same as or not more favorable than those disclosed to our Company. Subject to the above, if the relevant close associate of the Covenantor(s) decides to be involved, engaged, or participate in the relevant Restricted Activity, whether directly or indirectly, the terms of such involvement, engagement or participation must be disclosed to our Company and our Directors as soon as practicable.

The Non-compete Undertakings will become effective conditional on (i) the Stock Exchange granting listing of, and permission to deal in, all our Shares in issue and to be issued under the Placing and our Shares which may be issued upon the exercise of the options that may be granted under the Share Option Scheme; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant as a result of the waiver of any condition(s) by the Underwriters) and that the Underwriting Agreements not being terminated in accordance with their respective terms or otherwise.

For the above purpose, the “Relevant Period” means the period commencing from the Listing Date and shall expire on the earlier of the dates below:

(a) the date on which the Covenantors and their associates (individually or taken as a whole) ceases to own 30% of the then issued share capital of our Company (whether directly or indirectly) or cease to be considered as the controlling shareholders for the purpose of the GEM Listing Rules and do not have power to control the majority of our Board; and

(b) the date on which our Shares cease to be listed on the Stock Exchange (whether on GEM or otherwise).

Each of the Covenantors has undertaken in favour of our Company under the Non-Compete Undertakings that he or it shall provide to us and our Directors (including our INEDs) from time to time all information necessary for the annual review by our INEDs with regard to compliance with the terms of the Non-Compete Undertakings by the Covenantors. Each of the Covenantors has also undertaken in favour of our Company to make an annual declaration as to compliance with the terms of the Non-Compete Undertakings in our annual report.

Confirmation given by Directors

Each Director confirms that he/she does not have any competing business with our Group.

Corporate governance

In order to properly manage any potential or actual conflict of interests between us and our Controlling Shareholders in relation to compliance and enforcement of the Non-Compete Undertakings, we have adopted the following corporate governance measures:

(a) the INEDs would review, at least on an annual basis, the compliance with and enforcement of the terms of the Non-Compete Undertakings by our Controlling Shareholders and if any, the options, pre-emptive rights or first rights of refusals provided by our Controlling Shareholders and/or their respective close associates on their existing or future competing businesses. Such options, pre-emptive rights or first rights of refusals relate to business which our Group may engage in the future (and, in such context, does not mean the business currently engaged by our Group);

(b) our Company shall disclose decisions with basis on matters reviewed by the INEDs relating to non-compliance and enforcement of the Non-Compete Undertakings (including whether to take up the options, pre-emptive rights or first rights of refusals) either through annual report, or by way of announcement and/or other documents issued or published by our Company as required under the GEM Listing Rules;

(c) our Company shall disclose in the report of the Directors of the annual reports on how the terms of the Non-Compete Undertakings are complied with and enforced;

(d) our Controlling Shareholders have undertaken to provide all information necessary to our Company for the annual review by our INEDs and the enforcement of the Non-Compete Undertakings;

(e) our Controlling Shareholders have undertaken to provide a written confirmation to our Company upon written request by our Company in respect of the compliance with the terms of the Non-Compete Undertakings by our Controlling Shareholders and her/its close associates;

(f) in the event that any of our Directors and/or their respective close associates has material interest in any matter to be deliberated by our Board in relation to compliance and enforcement of the Non-Compete Undertakings or other proposed transactions in which such Directors and/or their respective close associates have material interest, he/she/they may not vote on the resolutions of our Board considering and approving the matter and shall not be counted towards the quorum for the voting pursuant to the applicable provisions in the Articles; and

(g) where the advice from independent professional, such as that from financial adviser, is reasonably requested by our Directors (including the INEDs), the appointment of such independent professional will be made at our Company's expenses.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

FULLY EXEMPTED CONTINUING CONNECTED TRANSACTION

Tenancy Agreement

During the Track Record Period, the following premises (the "**Premises**") was leased to our Group as tenant from Golden Billion as landlords:

Address	Saleable area	Use of property
Suite A5, 9/F., Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong	2,409 sq.ft	Office

As at the Latest Practicable Date, Golden Billion was owned as to 50% by Mr. Tony Lau and 50% by Golden Harvest, which in turn was owned as to approximately 84% by Mr. Tony Lau and approximately 16% by an Independent Third Party. As Mr. Tony Lau is the father of Mr. Anthony Lau who is our Substantial Shareholder, Golden Billion is an associate of Mr. Anthony Lau and thus a connected person of our Company under Chapter 20 of the GEM Listing Rules.

MSML, as tenant, and Golden Billion, as landlord, has entered into a tenancy agreement on 9 September 2016 (the "**Tenancy Agreement**"), for the rental of the Premises. The term of the tenancy is from 1 August 2016 to 31 July 2019, with a rental payable of HK$27,700 per month. The rental under the Tenancy Agreement was determined with reference to the prevailing market rate for the lease of properties of similar standard in neighbouring areas of the Premises.

The aggregate amount of rental charged from Golden Billion to our Group for the rental of the Premises for each of the two financial years ended 31 March 2015 and 2016 and the 3 months ended 30 June 2016 were HK$0.2 million, HK$0.2 million and HK$50,000. According to the rental opinion letter issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, as at 31 July 2016, the rental rate during the Track Record Period is less than the market rental value of the Premises.

The rental payable under the Tenancy Agreement is payable on a monthly basis and is determined with reference to the prevailing market rate for the lease of properties of similar standard in neighbouring areas of the Premises.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, has reviewed the Tenancy Agreement and conducted market search on the leasing market in Hong Kong. Jones Lang LaSalle Corporate Appraisal and Advisory Limited confirmed that (i) the rental payable under the Tenancy Agreement is within the general range normally charged by the landlords of other units within the same building and reflects the current market rate; (ii) the Tenancy Agreement is on normal commercial terms after arm's length negotiations between the parties with reference to the prevailing market terms and conditions; and (iii) the Tenancy Agreement is on terms that are fair and reasonable.

Implications under the GEM Listing Rules

Since each of the applicable percentage ratios (other than the profits ratio) for the Tenancy Agreement is less than 5% and the total consideration is less than HK$3,000,000, the transaction under the Tenancy Agreement is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules as it falls within the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules.

Our Directors, including the independent non-executive Directors, consider that the terms of the Tenancy Agreement are fair and reasonable and that the Tenancy Agreement has been entered into in the ordinary and usual course of our Group's business, on normal commercial terms and in the interest of our Company and the Shareholders as a whole.

BRIEF INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Board consists of three executive Directors, one non-executive Director and three INEDs. It is responsible for and possesses general powers for the management and the conduct of our business.

The day-to-day operations of our Group are supervised and carried out by our executive Directors with the assistance of our senior management.

The following table sets out some information in respect of our Directors:

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Main roles and responsibilities	Relationship with other Directors and senior management (other than that through or relating to our Group)
Ms. CHAU Wai Chu Irene (周慧珠)	66	Executive Director, Chairlady and Chief Executive Officer	August 2004	28 June 2016	Managing the overall operations and business strategic planning of our Group	N.A.
Ms. CHEUNG Kit Yi (張潔怡)	37	Executive Director	June 2011	28 June 2016	Overseeing the financial functions of our Group	N.A.
Mr. LEAN Chun Wai (梁俊威)	45	Executive Director	June 2011	28 June 2016	Responsible for the operation and marketing functions of our Group	N.A.
Mr. DA SILVA Antonio Marcus (施冠駒)	44	Non-executive Director	April 2014	28 June 2016	Responsible for providing advice on corporate governance and business strategy of our Group	N.A.
Ms. AU Shui Ming Anna (區瑞明)	52	INED *(note)*	19 December 2016	19 December 2016	The Chairlady of the Audit Committee, the Remuneration Committee and a member of the Nomination Committee	N.A.
Mr. LIANG Man Kit Jerry (梁文傑)	42	INED *(note)*	19 December 2016	19 December 2016	The chairman of the Corporate Governance Committee and a member of the Audit Committee and Remuneration Committee	N.A.
Mr. HO Alfred Chak Wai (何澤威)	46	INED *(note)*	19 December 2016	19 December 2016	The chairman of the Nomination Committee and a member of the Audit Committee and Corporate Governance Committee	N.A.

Note: The primary responsibilities of the INEDs is to participate in meetings of the Board to bring an independent judgment to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to our Group as and when required; to take the lead where potential conflicts of interest arise; and to serve on the audit committee, remuneration committee, the nomination committee and the corporate governance committee (as the case may be).

The following table sets out some information in respect of our senior management (other than those of our executive Directors):

Senior Management

Name	Age	Position	Date of joining our Group	Major office and responsibilities	Relationship with other Directors and Senior Management (other than that through or relating to our Group)
Mr. HUNG Kay Man (洪啟文)	52	Sales and Marketing director	December 2011	Responsible for the sales and marketing	N.A.
Ms. HO Hei Man (何希文)	28	Operations and Marketing Manager	March 2012	Responsible for the operations and marketing	N.A.

DIRECTORS

Executive Directors

Ms. CHAU Wai Chu Irene (周慧珠), aged 66, is our chairlady, an executive Director, the chief executive officer of our Company and our Controlling Shareholder. Ms. Chau is responsible for providing leadership to our Board and advising on the business strategies of our Group. She was appointed as a Director on 28 June 2016. Ms. Chau had been a director of our subsidiaries, MSL and MSML since July 2007 and December 2012, respectively. Ms. Chau was a co-founder of our Group and prior to becoming a director of MSL, Ms. Chau was a senior management of our Group responsible for managing the relationships with minibus route operators and taxi owners, and the securing of advertising space with these operators. Ms. Chau also holds directorships in a number of the other subsidiaries within our Group, namely MSBVI, MSISML, MSHML and MedicSML. Ms. Chau has obtained up to Form 5 education level, and she has gained experience in the marketing field since the late 90's where she has held a senior role in the commercial field and also worked in non-profit organizations. From June 1980 to May 1999, Ms. Chau was involved in the Hong Kong Motorsports Club where she was a club secretary helping out in contributing to the motorsports community in Hong Kong.

She has over 17 years of experience in the outdoor media advertising industry. Before joining our Group, Ms. Chau worked in various companies or entities, including the following:

Period of services	Name of entity	Principal business activities	Major office responsibilities
July 1998 – November 2000	Telewide Enterprises Limited	Mobile advertising and mobile payment company	Commercial Manager responsible for business development, customer services, administration and accounting
December 2001 – August 2004	Premiercare	Healthcare	Marketing controller and was responsible for placing advertisement in the market

Ms. Chau is the sole shareholder of BVI-Chau which is our Controlling Shareholder. BVI-Chau will hold approximately 38.7% of the issued share capital in our Company immediately following completion of the Placing and the Capitalisation Issue (not taking into account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme).

During the three years immediately preceding the date of this prospectus, Ms. Chau has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. CHEUNG Kit Yi (張潔怡), aged 37, is an executive Director and our financial controller. She was appointed as a director of our Company on 28 June 2016. Ms. Cheung joined our Group in June 2011 and was appointed as a director of our subsidiaries, MSL and MSML in December 2013. Ms. Cheung is in charge of the finance and accounts department of our Group. Ms. Cheung obtained her advanced diploma in accounting from HKU School of Professional and Continuing Education in 2016 and has enrolled in a part-time bachelor degree programme in accounting from the University of Hull in which the course is being held at the University of Hong Kong.

Ms. Cheung has over 18 years of accounting and finance experience. Before joining our Group, Ms. Cheung worked in various companies or entities, including the following:

Period of services	Name of entity	Principal business activities	Major office responsibilities
September 1997 – September 2007	Superhub Limited (formerly known as Cyber Express Communication Limited)	An information technology service provider	Assistant finance manager responsible for the accounting and company secretarial matters
October 2007 – May 2011	Superhub Limited (formerly known as Cyber Express Communication Limited)	An information technology service provider	Head of the finance and accounts department responsible for the accounting and company secretarial matters

During the three years immediately preceding the date of this prospectus, Ms. Cheung has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. LEAN Chun Wai (梁俊威), aged 45, is an executive Director. He was appointed as a director of our Company on 28 June 2016. Mr. Lean is responsible for providing leadership in our operation department. Mr. Lean is responsible for managing the relationships and securing advertising space with our Group's advertising space providers in the healthcare media platform. Mr. Lean supervises the information management system of advertising spaces in the healthcare media platform of our Group and also manages the design department of our Group, responsible for production and installation of advertising materials, procurement and supplier's relationship. Mr. Lean joined our Group in June 2011 and served as our marketing consultant. He was appointed as a director of our subsidiaries, MSL and MSML in December 2012. He was later appointed as a director of one of our subsidiaries, AAPCL in 15 August 2014. Mr. Lean attended the City College of San Francisco from 1990 to 1995.

Mr. Lean has over 20 years of marketing experience. Before joining our Group, Mr. Lean worked in various companies or entities, including the following:

Period of services	Name of entity	Principal business activities	Major office responsibilities
December 1995 — June 2005	Global Travel Services Limited	Travel agency	Assistant manager in marketing department responsible for assisting the company to launch marketing campaigns and allocate marketing budgets
June 2005 — May 2011	Global Travel Services Limited	Travel agency	Head of marketing and inbound travelling service responsible for marketing budget control, positioning and strategies implementation

During the three years immediately preceding the date of this prospectus, Mr. Lean has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

Non-Executive Director

Mr. DA SILVA Antonio Marcus (施冠駒), aged 44, is a non-executive Director and a Substantial Shareholder of our Company. Mr. da Silva was appointed as a director of our Company on 28 June 2016. Mr. da Silva is responsible for providing corporate governance guidance to our Board and advising on the business strategies of our Group. Mr. da Silva is the co-founder of our Group and has been a director of MSL and MSML since April 2014. Mr. da Silva graduated from Carnegie Mellon University in the United States with the degrees of Bachelor of Science and Master of Information Systems, double majors in Information and Decision Systems and Industrial Management in 1996. In 2001, Mr. da Silva joined his family business, Jet-Speed Air Cargo Forwarders (Hong Kong) Limited where he worked until present. Mr. da Silva is now a business development director of Jet-Speed Air Cargo Forwarders (Hong Kong) Limited and is responsible for business development.

Mr. da Silva has over 15 years of business experience. Mr. da Silva worked in various companies or entities, including the following:

Period of services	Name of entity	Principal business activities	Major office responsibilities
April 1997 – September 1999	BNP Paribas Fortis (formerly known as Fortis Bank)	Bank	Option dealer in the Treasury department
March 2000 – April 2001	First Oriental Medical Technology Limited	Medical equipment leasing	Chief Operating Officer responsible for business development and marketing
August 2001 to December 2002	Jet-Speed Air Cargo Forwarders (Hong Kong) Limited	Logistics	Personal assistant to managing director responsible for business development
December 2002 to present	Jet-Speed Air Cargo Forwarders (Hong Kong) Limited	Logistics	Business development director responsible for business development

Mr. da Silva was the director of the following companies which were incorporated in Hong Kong and were deregistered and the relevant details are as follows:

Company name	Nature of business	Date of submission of application for deregistration	Date of deregistration
Amphion Logistics China Limited	Holding company	1 September 2015	15 January 2016
Arch Media Limited	Web development	13 March 2004	23 July 2004
Gluub Limited	Interest related business	21 August 2013	10 January 2014
NAC Travel Consultancy Limited	Travel agency	27 October 2015	11 March 2016
Transnations Consultancy Limited	Consultancy	24 November 2003	2 April 2004

Mr. da Silva has confirmed that the above deregistration was voluntary by way of submitting an application to the Companies Registry of Hong Kong and the above companies were solvent at the time of it being dissolved by deregistration.

Mr. da Silva had been a director of Viking Holdings Limited ("**Viking Holdings**"), a private company incorporated in Hong Kong. Viking Holdings never commenced business and was struck off and dissolved by the Companies Registry of Hong Kong on 19 November 2010 under section 291 of the Predecessor Companies Ordinance.

Mr. da Silva has confirmed that there was no wrongful act on his part leading to the dissolution and struck off of Viking Holdings, and he is not aware of any actual or potential claim which had been or will be made against him as a result of the dissolution.

During the three years immediately preceding the date of this prospectus, Mr. da Silva has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. AU Shui Ming Anna (區瑞明), aged 52, was appointed as an independent non-executive Director with effect from 19 December 2016. She is the chairlady of the Audit Committee and the Remuneration Committee. She is also the member of the Nomination Committee. Ms. Au holds a bachelor degree in Commerce, majoring in Accounting, from the University of Wollongong in Australia. She is a Certified Practicing Accountant of CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. Ms. Au has extensive experience in the finance and accounting fields.

She was an executive director of China Digital Culture (Group) Limited from July 2007 to July 2013. She was also appointed as an independent non-executive director of Mitsumaru East Kit (Holdings) Limited (stock code: 2358) from May 2012 to September 2015. She is currently the chief financial officer of New Horizon Capital (Group) Limited. In addition, Ms. Au is currently a director of i-Craftsmen Limited and Smart Education Company Limited.

Period of services	Name of entity	Principal business activities	Major office responsibilities
March 2004 – June 2013	China Digital Culture (Group) Limited (formerly known as China Digital Licensing (Group) Limited) (Stock Code: 8175)	Provision of digital copyright management solution and related consultancy services	Executive director, company secretary, compliance officer, authorized representative and member of the nomination committee and the remuneration committee

Period of services	Name of entity	Principal business activities	Major office responsibilities
Since August 2012	Smart Education Company Limited (wholly-owned subsidiary of Newtree Group Holdings Limited (Stock code: 1323)	Provision of education services	Director, responsible for planning and directing the operations of the company
Since December 2013	i-Craftsmen Limited (wholly-owned subsidiary of Newtree Group Holdings Limited (Stock code: 1323)	Provision of digital technology services	Director, responsible for planning and directing the operations of the company
July 2013 to June 2014	Rising Power Group Holdings Limited (Stock Code: 8047)	Provision of integrated solutions for energy business	Consultant, providing consultancy services
Since July 2014	New Horizon Finance (HK) Limited	Money lending	Chief financial officer responsible for planning, implementing, managing and controlling financial related activities

As at the Latest Practicable Date and in the three years preceding that date, Ms. Au held directorship in the following listed company:

Name of listed issuer	Place of listing and stock code	Major office responsibilities
Mitsumaru East Kit (Holdings) Limited	Hong Kong (stock code: 2358)	INED

Ms. Au was the director of the following company which was incorporated in Hong Kong and was deregistered and the relevant details are as follows:

Company name	Nature of business	Date of submission of application for deregistration	Date of deregistration
Pharmanet Asia Limited	Medicine	10 December 2009	30 April 2010

Ms. Au has confirmed that the above deregistration was voluntary by way of submitting an application to the Companies Registry of Hong Kong and the above company was solvent at the time of it being dissolved by deregistration.

Mr. LIANG Man Kit Jerry (梁文傑), aged 42, was appointed as an independent non-executive Director with effect from 19 December 2016. He is the chairman of the Corporate Governance Committee and a member of the Audit Committee and Remuneration Committee.

In September 2014, Mr. Liang was appointed as the Director and Chief Operation Officer at RT Management Limited to oversee the daily operation of the company. Mr. Liang is also a director of Media Venture Company Limited, an advertising and promotion agency. Mr. Liang was formerly the Editor-in-Chief of Precious Magazine.

Period of services	Name of entity	Principal business activities	Major office responsibilities
Since October 2009	Media Venture Company Limited	Advertising and promotion agency	Functional director and senior management
Since September 2014	RT Management Limited	Branding Consultancy	Director and chief operation officer responsible for the daily operation of the company's business orientation, artist's management, brands management, and events management
Since June 2015	Precious Production Limited	Magazine publishing	Consultant, providing consultancy services

Mr. Liang was the director of the following companies which were incorporated in Hong Kong and were deregistered and the relevant details are as follows:

Company name	Nature of business	Date of submission of application for deregistration	Date of deregistration
Kolmen Galaxy Development Co. Limited	Investment holding	1 April 2010	20 August 2010
L'ensoleillement Company Limited	Wine trading	5 January 2010	20 May 2010

Mr. Liang has confirmed that the above deregistration was voluntary by way of submitting an application to the Companies Registry of Hong Kong and the above companies were solvent at the time of it being dissolved by deregistration.

Mr. Liang had been a director of Hong Kong Rangers Football Club Limited ("**HKRFCL**"), a private company incorporated in Hong Kong. HKRFCL never commenced business and was struck off and dissolved by the Companies Registry of Hong Kong on 22 July 2011 under section 291 of the Predecessor Companies Ordinance.

Mr. Liang has confirmed that there was no wrongful act on his part leading to the dissolution and struck off of HKRFCL, and he is not aware of any actual or potential claim which had been or will be made against him as a result of the dissolution.

During the three years immediately preceding the date of this prospectus, Mr. Liang has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. HO Alfred Chak Wai (何澤威), aged 46, was appointed as an independent non-executive Director with effect from 19 December 2016. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Corporate Governance Committee.

Mr. Ho was appointed as a director and shareholder of Acemax Development Limited in April 1999 and since then until present, is responsible for the management of its business. Acemax Development Limited is a food and beverage management and consulting company. Through its subsidiary, Acemax Development Limited has established food courts within residential and commercial complexes in Hong Kong and also invests in lounge and bar business.

Mr. Ho was the director of the following companies which were incorporated in Hong Kong and were deregistered and the relevant details are as follows:

Company name	Nature of business	Date of submission of application for deregistration	Date of deregistration
Acemax Holdings Limited	Investment holding	20 August 2010	7 January 2011
MAXIS TECHNOLOGY LIMITED	Information technology	20 August 2007	4 January 2008

Mr. Ho has confirmed that the above deregistration was voluntary by way of submitting an application to the Companies Registry of Hong Kong and the above companies were solvent at the time of it being dissolved by deregistration.

Mr. Ho had been a director of Full Merit Limited ("**Full Merit**"), a private company incorporated in Hong Kong. Full Merit never commenced business and was struck off and dissolved by the Companies Registry of Hong Kong on 14 November 2008 under section 291 of the Predecessor Companies Ordinance.

Mr. Ho had been a director of Double Harvest (Asia) Limited ("**Double Harvest**") and Triple Harvest (Asia) Limited ("**Triple Harvest**") in which both companies were dissolved by way of creditor's voluntary winding-up on 25 June 2009 and 4 November 2010 respectively pursuant to section 240 of the Predecessor Companies Ordinance.

Mr. Ho has confirmed that there was no wrongful act on his part leading to the dissolution and struck off of Full Merit and the dissolution by way of creditor's voluntary winding-up of Double Harvest and Tripe Harvest, and he is not aware of any actual or potential claim which had been or will be made against him as a result of the dissolution.

During the three years immediately preceding the date of this prospectus, Mr. Ho has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

General

Save as disclosed above, there is no other information relating to our Directors that needs to be disclosed under the requirements under Rule 17.50(2) of the GEM Listing Rules.

Save as disclosed, none of our Directors:

(i) held any other positions in our Company or other members of our Group as at the Latest Practicable Date;

(ii) had any other relationship with any Directors, senior management or substantial Shareholders or Controlling Shareholders of our Company as at the Latest Practicable Date; and

(iii) held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date; and

Except for such interests of Ms. Chau and Mr. da Silva in the Shares which are disclosed above, none of our Directors have any interest in the Shares within the meaning of Part XV of the SFO or is a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of our Company. Each of our Directors has confirmed that none of them or their respective associates are engaged in, or interested in any business (other than our Group) which, directly or indirectly, competes or may compete with our business or has or may have any conflict of interests with our Group.

Save as disclosed above, to the best of the knowledge, information and belief of our Directors after having made all reasonable enquiries, there were no other matters with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that was required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules as at the Latest Practicable Date.

SENIOR MANAGEMENT

Mr. HUNG Kay Man (洪啟文), aged 51, of Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong is the Sales and Marketing Director of our Group. He joined the sales and marketing department of our Group in December 2011. He is responsible for providing leadership in our sales and marketing department, as well as building relationships with customers for all our media platforms to promote our advertising platforms to clients. Together with Ms. Chau, our Chairlady and executive Director, Mr. Hung is responsible for setting up annual advertising rates for all media platforms as well as setting annual sales targets for our Group's sales team. He began his career as a Junior Floor Manager at Television Broadcasts Limited in 1986.

Mr. Hung has over 20 years of sales experience. Before joining our Group, Mr. Hung worked in various companies or entities, including the following:

Period of services	Name of entity	Principal business activities	Major office responsibilities
September 1986 – May 1993	Television Broadcasts Limited	Television broadcast corporation	Junior Floor Manager responsible for the production
June 1993 – October 1994	Ming Pao Newspapers Limited	Publishing of newspapers	Senior sales executive responsible for sales
October 1994 – February 2008	Asia Television Limited	Television broadcast corporation	Sales executive of home channel responsible for marketing and sales
February 2008 – May 2009	JCDecaux Texan Limited	out-of-home media	Sales manager responsible for sales
May 2009 – May 2011	Asia Television Limited	Television broadcast corporation	Chief sales manager responsible for marketing and sales

During the three years immediately preceding the date of this prospectus, Mr. Hung has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. Ho Hei Man (何希文), aged 28, of Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong is our Operation & Marketing Manager. She joined the operation and administration department of our Group in March 2012, and was later promoted to the assistant manager position in January 2014. Ms. Ho obtained a Bachelor of Arts (Hons) degree in marketing and management from the University of Hull, which is a part-time course held and conducted at the University of Hong Kong. Ms. Ho is responsible for the minibus operation where she oversees and manages daily operation and supports the sales team for achieving company goals.

During the three years immediately preceding the date of this prospectus, Ms. Ho has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas.

COMPANY SECRETARY

Mr. YAU Siu Yeung (游紹揚), aged 30, was appointed as our company secretary on 19 August 2016. He graduated with a bachelor degree of social sciences in public policy and administration from The City University of Hong Kong in 2009. He later obtained a master degree of arts in social policy from The Chinese University of Hong Kong in 2010. Mr. Yau obtained a juris doctor degree and postgraduate certificate in laws from the Chinese University of Hong Kong in 2012 and 2013 respectively. He is a member of the Law Society of Hong Kong. Mr. Yau has been admitted as a solicitor of the High Court of Hong Kong and is currently holding a valid practicing certificate of a solicitor of the High Court of Hong Kong. Mr. Yau is currently employed at a law firm in Hong Kong.

COMPLIANCE OFFICER

Ms. Chau serves as the compliance officer of our Company for the purpose of the GEM Listing Rules. For details of her background, please refer to the paragraph headed "Executive Directors" in this section.

REMUNERATION POLICY

The aggregate amounts of remuneration of our Directors for the two years ended 31 March 2015 and 2016, and the three months ended 30 June 2016 were approximately HK$3.1 million, HK$2.2 million and HK$0.6 million respectively. Details of the arrangement for remuneration are set out in Note 10 to the Accountant's Report in Appendix I to this prospectus. Under such arrangement and pursuant to our Directors' service contracts and letters of appointment referred to in the paragraph headed "3.2 Directors' service contracts and letters of appointment" in Appendix IV to this prospectus, the aggregate amount of Directors' fee and other emoluments payable to our Directors (excluding any discretionary bonuses) for the year ending 31 March 2017 is estimated to be approximately HK$2.2 million.

Our Group's principal policies concerning remuneration of Directors or staff of high caliber are determined based on the relevant Director's or staff's duties, responsibilities, experience and skills. Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. Our Company also reimburses them for expenses which are necessarily and reasonably incurred for providing services to our Company or executing their functions in relation to our operations. Our Company regularly reviews and determines the remuneration and compensation packages of our Directors and senior management. Our Company regularly provides discretionary bonuses to our senior management and key employees as incentive.

Our Company had conditionally adopted the Share Option Scheme on 19 December 2016 to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Please see the section headed "4. Share Option Scheme" in Appendix IV to the prospectus for further details of the Share Option Scheme.

After Listing, the Remuneration Committee will review and determine the remuneration and compensation packages of our Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by our Company to, or received by, our Directors as an inducement to join or upon joining our Company.

BOARD COMMITTEES

The Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee were approved to be established by resolutions passed by our Board on 19 December 2016. The membership of such committees is as follows:

Name of Director	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee
Executive Directors				
Ms. Chau Wai Chu Irene	N.A.	Member	N.A.	N.A.
Ms. CHEUNG Kit Yi	N.A.	N.A.	Member	N.A.
Mr. LEAN Chun Wai	N.A.	N.A.	N.A.	N.A.
Non-executive Director				
Mr. DA SILVA Antonio Marcus	N.A.	N.A.	N.A.	Member
INEDs				
Ms. AU Shui Ming Anna	Chairlady	Chairlady	Member	N.A.
Mr. LIANG Man Kit Jerry	Member	Member	N.A.	Chairman
Mr. HO Alfred Chak Wai	Member	N.A.	Chairman	Member

Each of the above four committees has written terms of reference. The functions of the above four committees are summarised as follows:

Audit committee

Our Audit Committee has written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the Corporate Governance Code and Corporate Governance Report ("**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment, reappointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of our Company.

Remuneration committee

Our Remuneration Committee has written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and the CG Code. The primary functions of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

Nomination Committee

Our Nomination Committee has written terms of reference in compliance with the CG Code. The primary functions of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendation to the Board on any proposed changes to the Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of INEDs; and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of our Chairman and the Chief Executive Officer.

Corporate Governance Committee

Our Corporate Governance Committee has written terms of reference in compliance with the CG Code. The primary functions of our Corporate Governance Committee are (i) to develop and review our Group's policies and practices on corporate governance and make recommendations to the Board; (ii) to review and monitor the training and continuous professional development of our Directors and senior management; (iii) to review and monitor our Group's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) to review our Company's compliance with the CG Code and disclosure in the corporate governance report.

COMPLIANCE ADVISER

We have appointed BOSC International Company Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, the compliance adviser will advise us on, among other matters, the following:

(i) (before its publication) any regulatory announcement, circular or financial report;

(ii) a transaction, which might be a notifiable or connected transaction or will involve share issues and share repurchases;

(iii) where our Company proposes to use the net prospectus of the Placing in a manner different from that set out in this prospectus or where our business activities, development or results deviate from any forecast, estimate, or other information in this prospectus; and

(iv) where the Stock Exchange makes any inquiry of us under Rule 17.11 of the GEM Listing Rules.

The term of appointment of our compliance adviser will commence on the Listing Date and will end on the date of despatch of our annual report in respect of our financial results for the second full financial year commencing after the Listing Date. Such appointment may be subject to extension by mutual agreement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company has complied with the Corporate Governance Code in Appendix 15 to the GEM Listing Rules except for code provision A.2.1, which states that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Ms. Chau currently holds both positions. In view of her experience and familiarity with the business operations of our Group, our 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 our Group. Our Board with the Corporate Governance Committee will review our Group's corporate governance policies and compliance with the Corporate Governance Code each financial year.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following persons were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote at general meetings of our Company:

Name	Number of Shares directly or indirectly held	Approximate percentage of shareholding in our Company
	(Note 1)	**(%)**
BVI-Chau *(Note 2)*	5,160,000	51.6%
Ms. Chau *(Note 2)*	5,160,000	51.6%
AL Capital *(Note 3)*	2,700,000	27.0%
Mr. Anthony Lau *(Note 3)*	2,700,000	27.0%
BVI-da Silva *(Note 4)*	1,740,000	17.4%
Mr. da Silva *(Note 4)*	1,740,000	17.4%

Notes:

1. As at the Latest Practicable Date, our Company had 10,000,000 Shares in issue.

2. All issued shares in BVI-Chau are solely owned by Ms. Chau.

3. The entire issued share capital in AL Capital is solely owned by Mr. Anthony Lau.

4. All issued shares in BVI-da Silva are solely owned by Mr. da Silva.

So far as our Directors are aware, immediately following completion of the Placing and the Capitalisation Issue (without taking into account any Shares which may be issued upon the exercise of the options which may be granted under the Share Option Scheme), the following persons will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

	At the Latest Practicable Date		Immediately after completion of the Placing and Capitalisation Issue		
Name	**Number of Shares**	**Approximate percentage of shareholding**	**Number of Shares(1)**	**Approximate percentage of shareholding**	**Capacity/Nature of interest**
BVI-Chau(2)	5,160,000	51.6%	278,640,000 (L)	38.70%	Beneficial owner
Ms. Chau(2)	5,160,000	51.6%	278,640,000 (L)	38.70%	Interest in a controlled corporation
AL Capital(3)	2,700,000	27.0%	145,800,000 (L)	20.25%	Beneficial owner
Mr. Anthony Lau(3)	2,700,000	27.0%	145,800,000 (L)	20.25%	Interest in a controlled corporation
BVI-da Silva(4)	1,740,000	17.4%	93,960,000 (L)	13.05%	Beneficial owner
Mr. da Silva(4)	1,740,000	17.4%	93,960,000 (L)	13.05%	Interest in a controlled corporation
Ms. Chu Sau Kuen Jeanny	1,740,000	17.4%	93,960,000 (L)	13.05%	Interest of spouse (spouse of Mr. da Silva)

Notes:

(1) The letter “L” denotes the entity/person’s long position in the Shares.

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

(3) The entire issued share capital of AL Capital is solely owned by Mr. Anthony Lau. Accordingly, Mr. Anthony Lau is deemed to be interested in all the Shares held by AL Capital by virtue of the SFO.

(4) All issued shares in BVI-da Silva 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 BVI-da Silva by virtue of the SFO.

Save as disclosed above, our Directors are not aware of any other persons who will, immediately following completion of the Placing and the Capitalisation Issue (without taking into account any Shares which may be issued upon the exercise of the options which may be granted under the Share Option Scheme), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of the subsidiaries.

None of our Substantial Shareholders or their respective close associates is engaged in, or interested in any business or interest (other than that of our Group) which, directly or indirectly, competes or may compete with our business, or has or may have any conflict of interests with our Group.

UNDERTAKINGS

Our Controlling Shareholders have given to (i) our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters; and (ii) the Stock Exchange undertakings in relation to the non-disposal restrictions as imposed by Rule 13.16A of the GEM Listing Rules.

Voluntary Undertakings

Each of our Controlling Shareholders has further voluntarily jointly and severally undertaken to our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters that for an additional 24 months period after the 12 months period from the date on which dealings in our shares commence on the Stock Exchange, that she/it shall not dispose of, nor enter into any agreement to dispose of or otherwise create any encumbrances in respect of, any of the Shares (or any securities of our Company) if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, our Controlling Shareholders would, taken together with Mr. da Silva and BVI-da Silva, cease to control 30% or more shareholding in our Company.

Mr. da Silva and BVI-da Silva has respectively given voluntary undertakings to our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters that: (a) for 12 months commencing from the date on which dealings in our Shares commence on the Stock Exchange, he/it shall not and shall procure that the relevant registered holder(s) shall not, without the respective prior written consent of our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Shares held by he/it or any of his/its associates or companies controlled by him/it or any nominee or trustee holding on trust for himself/itself; and for an additional 24 months commencing on the date on which the period referred to in (a) above expires, he/it shall not dispose of, nor enter into any agreement to dispose of or otherwise create any encumbrances in respect of, any of the Shares (or any securities of our Company) if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, Mr. da Silva and BVI-da Silva would, taken together with our Controlling Shareholders, cease to control 30% or more shareholding in our Company.

In the event that our Company decides to waive the non-disposal requirements as contemplated under the voluntary undertakings given by our Controlling Shareholders, Mr. da Silva and BVI-da Silva, with the consent of the Sole Sponsor, the Joint Bookrunners and the Underwriters, our Company will seek for independent Shareholders' approval. Further details of such undertaking are set out under the section headed "Underwriting — Undertakings" in this prospectus.

Further details of such undertaking are set out under the section headed "Underwriting — Undertaking" in this prospectus.

SHARE CAPITAL

The following is a summary of the authorised and issued share capital of our Company as at the date of this prospectus and immediately after completion of the Placing and the Capitalisation Issue:

	Number		Aggregate par values (HK$)
	Authorised share capital:		
	7,200,000,000	Shares (having a par value of HK$0.01 each)	72,000,000
	Issued and to be issued, fully paid or credited as fully paid:		
	10,000,000	Shares in issue at the date of this prospectus	100,000
	530,000,000	Shares to be issued pursuant to the Capitalisation Issue	5,300,000
	180,000,000	Shares to be issued under the Placing	1,800,000
Total:	720,000,000	Shares	7,200,000

Assumptions

The above table assumes the Placing and the Capitalisation Issue become unconditional and the issue of Shares pursuant thereto are made as described above. It does not take into account any Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme or of any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors as referred to below or otherwise.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of the total issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

RANKING

The Placing Shares and the Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme will rank equally with all of the Shares now in issue or to be issued, and will qualify for all dividends or other distributions declared, made or paid on the Shares after the date of this prospectus, except for entitlement under the Capitalisation Issue.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme. See the section headed "4. Share Option Scheme" in Appendix IV to this prospectus for the summary of the principal terms of the Share Option Scheme.

ISSUING MANDATE

Subject to the Placing becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal in unissued Shares with an aggregate nominal value of not exceeding the sum of:

(i) 20% of the aggregate nominal value of our share capital in issue immediately following completion of the Placing and the Capitalisation Issue, but excluding any Shares which may be issued upon the exercise of any option that may be granted under the Share Option Scheme; and

(ii) the aggregate nominal amount of our share capital repurchased by our Company (if any) pursuant to the Repurchase Mandate (as mentioned below).

The Issuing Mandate does not apply to situations where our Directors allot, issue or deal in Shares by way of a rights issue, scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or in part of any dividend in accordance with the Articles, or pursuant to the exercise of any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares, or pursuant to the exercise of any options that may be granted under the Share Option Scheme, or under the Placing or the Capitalisation Issue. Our Directors may, in addition to the Shares which they are authorised to issue under the Issuing Mandate, allot, issue and deal in Shares pursuant to a rights issue, the exercise of subscription rights attaching to any warrants of our Company, scrip dividends or similar arrangements or the exercise of any options that may be granted under the Share Option Scheme or any other option scheme or similar arrangement for the time being adopted.

The Issuing Mandate will expire upon the earliest occurrence of any of the following:

- at the conclusion of our next annual general meeting;

- on the date by which our next annual general meeting is required by the Articles or any applicable laws to be held; or

- when the authority given to our Directors is revoked or varied by an ordinary resolution passed by our Shareholders in general meeting.

For further details of the Issuing mandate, see the paragraph headed "1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" in Appendix IV to this prospectus.

REPURCHASE MANDATE

Subject to the Placing becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with a total nominal amount of not more than 10% of the total nominal amount of the our share capital in issue immediately following completion of the Placing and the Capitalisation Issue, but excluding any Shares that may be issued upon the exercise of any option that may be granted under the Share Option Scheme. The Repurchase Mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with the GEM Listing Rules. Please see paragraph headed "1.7 Repurchase by our Company of our own securities" in Appendix IV to this prospectus for the summary of the relevant requirements under the GEM Listing Rules.

The Repurchase Mandate will expire upon the earliest occurrence of any of the following:

- at the conclusion of our next annual general meeting;

- on the date by which our next annual general meeting is required by the Articles or any applicable laws to be held; or

- when the authority given to our Directors is revoked or varied by an ordinary resolution passed by our Shareholders in general meeting.

For further details of the Repurchase Mandate, see paragraph headed "1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" in Appendix IV to this prospectus.

The following discussion and analysis should be read in conjunction with our combined financial statements as at and for the two years ended 31 March 2015 and 2016 and three months ended 30 June 2015 and 2016 together with the accompanying notes, included in Appendix I to this prospectus. Our combined financial statements have been prepared in accordance with HKFRSs, which may differ in material respects from the generally accepted accounting principles in other jurisdictions.

The following discussion contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current condition and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether actual outcome and developments will meet our expectations and predictions depends on a number of factors over which we have no control. You should review the section "Risk Factors" in this prospectus for a discussion of the important factors that could cause our actual results to differ materially from the results described in or implied by forward-looking statements.

Our financial year begins from 1 April and ends on 31 March. All references to "FY2015" and "FY2016" mean the financial years ended 31 March 2015 and 31 March 2016, respectively. All references to "1Q2016" and "1Q2017" mean the three months ended 30 June 2015 and 30 June 2016, respectively.

OVERVIEW

Almost all our revenue is generated by provision of advertising spaces and services to our customers in Hong Kong, which are end-users aiming to promote their brands, products or services, and advertising agents acting for such advertisers. We also provide ancillary advertisement logistics, installation and dismantling services as part of our services. In order to suit the needs of advertisers, we offer tailored advertising packages which include the provision of advertising spaces and ancillary services.

We license the advertising spaces from licensors, which include operators of minibus lines, hospitals, clinics and health and beauty retail chains in Hong Kong, the majority of which are on an exclusive and long-term basis. The exclusive licenses generally require us to promote the relevant advertising spaces to advertisers and pay a minimum annual license fee to the licensors. Some of such licenses contain provision for profit sharing on a percentage basis if the specified threshold is exceeded. Depending on the requirements of our customers, we may also secure advertising spaces from other owners on non-exclusive basis.

Based on the CIC Report, we were the largest minibus advertising space provider in Hong Kong based on revenue in 2015. We are also the only company licensed to provide advertising spaces in public hospitals in Hong Kong as at the Latest Practicable Date. We have an established and wide network of exclusive advertising spaces, including advertising spaces on 752 minibuses, in 18 hospitals, 23 medical clinics, and 36 taxis in Hong Kong and 179 retail stores in Hong Kong, and 13 retail stores in Macau of a major health and beauty retail chain as at 30 June 2016.

Our revenue increased from approximately HK$49.1 million for FY2015 to HK$55.8 million for FY2016, representing a growth of approximately 13.6%. Almost all our revenue is generated by provision of advertising spaces and services to our customers in Hong Kong. The following table sets forth a breakdown of our revenue by types of advertising spaces for the periods indicated:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000* (unaudited)	*%*	*HK$'000*	*%*
Transportation business								
Minibus	33,063	67.3	41,257	73.9	9,523	74.7	10,565	71.5
Taxi	181	0.4	627	1.1	76	0.6	780	5.3
Others*(Note)*	2,139	4.3	2,703	4.9	270	2.1	418	2.8
Healthcare business								
Hospitals and clinics	9,511	19.4	7,710	13.8	1,660	13.0	2,445	16.5
Health and beauty retail stores	4,236	8.6	3,527	6.3	1,221	9.6	579	3.9
Total	49,130	100.0	55,824	100.0	12,750	100.0	14,787	100.0

Note: Others include mainly revenue generated from advertising spaces in MTR stations and the provision of other miscellaneous advertising services.

REORGANISATION AND BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted Company with limited liability on 28 June 2016 in preparation for the Listing. Pursuant to the Reorganisation with details set out in the section "History, Development and Reorganisation", our Company became the holding company of our Group on 28 June 2016. Apart from the Reorganisation, our Company has not carried on any business since its incorporation.

The combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of our Group include the results, changes in equity and cash flows of the companies comprising our Group for the Track Record Period which has been prepared as if our Company had always been the holding company of the companies now comprising our Group and the current group structure had been in existence throughout the Track Record Period, or since their respective dates of incorporation, where it is a shorter period. The combined financial statements of financial position of our Group as at 31 March 2015, 31 March 2016 and 30 June 2016 present the assets and liabilities of the companies comprising our Group on those dates as if the current group structure had been in existence as at those dates. More details of the basis of preparation of financial statements are set out in Note 2 to the Accountant's Report in Appendix I to this prospectus.

KEY FACTORS AFFECTING FINANCIAL POSITION AND RESULTS OF OUR OPERATIONS

We summarise below the key factors which, we consider, have affected and will continuously affect our financial position and results of operations.

Our ability to maintain or obtain additional advertising spaces

Our business depends largely upon our ability to provide advertising spaces and services to our customers. This, in turn, requires that we retain our existing licenses and obtain new licenses for advertising spaces from the relevant licensors. Our retention and renewal of these licenses depends upon our relationship with the licensors and our performance under the license arrangements, some of which may require us to achieve certain revenue targets, as well as the results of bidding processes for new or existing licenses.

If we fail to retain existing or secure new licenses for whatever reason, or if we are unable to effectively expand our network, our advertiser customers may decide not to use our network, which would have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, our ability to obtain additional licenses will depend in part on our reputation as an advertising service provider and the success of our existing operations. Advertising space owners may choose not to grant us licenses if they believe that our current operations do not generate sufficient revenue or are otherwise not effective for whatever reason. Advertising space owners that we have not previously worked with may decide not to grant us licenses if they believe we will not effectively manage their advertising spaces. If these advertising spaces owners do not grant us licenses, we cannot assure you that we will be able to carry out or expand the relevant business, and our results of operations and financial condition may be materially and adversely affected.

Trends in the advertising industry and demand for different types of advertising spaces

Our operating results are affected by trends in the advertising industry. As Hong Kong's out-of-home advertising has evolved to utilise more digital displays and many out-of-home advertisements are gradually integrating digital elements with printed visuals, our success will depend on our ability to adapt to rapidly changing technologies, to enhance quality of existing services and to develop and introduce new solutions to address our customers' changing demands. If we fail to keep pace with changing technologies and to introduce successful and well-accepted solutions for our existing customers or potential customers, our competitors may have a competitive advantage over us, which could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, a reduction in advertising expenditures available for our advertising spaces and services resulting from changes in trends in the advertising industry, including a preference for other forms of media, such as social media, internet, television, radio and printed media, may lead to the reallocation of advertising expenditures to other available media by significant users of our displays, and could have a material adverse effect on our business, financial condition and results of operations.

Pricing offered to our customers

Our results of operations are affected by the fees for our advertising services, the pricing of which we determine through different factors for different types of advertising spaces. For further details, please refer to "Business — Sales and Customers — Pricing Policy". For minibus advertising services, we categorise prices into five different grades according to their routes, demand and availability, which is measured by the occupancy rate and our cost of licensing the relevant advertising space. For advertising services in hospitals and clinics, we categorise prices into different grades according to factors such as the format, location, volume of target audience. For advertising services in the health and beauty retail stores, our fees are determined by the length of the video to be played at the digital advertising video system, and the period of contract. We also consider the fees and the pricing of our competitors. We re-evaluate our pricing and rate cards regularly and may adjust the fees for different types of advertising spaces from time to time depending on demand for those types of advertising spaces and other factors mentioned above. Our ability to properly adjust our price and the competitiveness of our fees as compared to that of our competitors will affect our gross profit margin, as well as demand from our customers and in turn affect our results of operations.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in average fees paid by our customers, assuming all other factors remain constant. Fluctuations are assumed to be 1%, 5% and 10%, respectively, for each of FY2015, FY2016 and 1Q2017.

Changes in average fees paid by our customers	**+10%**	**+5%**	**+1%**	**–1%**	**–5%**	**–10%**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Impact on profit before income tax for						
FY2015	4,913	2,457	491	(491)	(2,457)	(4,913)
FY2016	5,582	2,791	558	(558)	(2,791)	(5,582)
1Q2017	1,479	739	148	(148)	(739)	(1,479)

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in gross profit margin on our profit before tax, assuming all other factors remain constant. Fluctuations are assumed to be 3.0 percentage point, 2.0 percentage point, and 1.0 percentage point for each of FY2015, FY2016 and 1Q2017.

Changes in gross profit margin	**+3.0 percentage point**	**+2.0 percentage point**	**+1.0 percentage point**	**–1.0 percentage point**	**–2.0 percentage point**	**–3.0 percentage point**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Impact on profit before income tax for						
FY2015	1,474	983	491	(491)	(983)	(1,474)
FY2016	1,675	1,116	558	(558)	(1,116)	(1,675)
1Q2017	444	296	148	(148)	(296)	(444)

License fees paid to our advertising space owners

Some of our license agreements provide for guaranteed payments of fees to be made to the licensors, including operators of minibus, public hospitals and health and beauty retail chain. A determinant in being awarded an agreement is our ability to guarantee the licensors higher revenues than our competitors. Pursuant to such license agreements, we would nonetheless have to pay the licensors the guaranteed amount each year during the term of the agreement, regardless of the actual revenues. We may also face competitive pressure to increase our guarantee payment to licensors. This could affect our gross profit margin, as well as have a material adverse effect on our business, financial condition and the results of our operations.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in average rental and licence fees paid to our licensors, assuming all other factors remain constant. Fluctuations are assumed to be 1%, 5% and 10%, respectively, for each of FY2015, FY2016 and 1Q2017.

Changes in average rental and licence fees paid to our licensors	**+10%**	**+5%**	**+1%**	**–1%**	**–5%**	**–10%**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Impact on profit before income tax for						
FY2015	(2,235)	(1,118)	(224)	224	1,118	2,235
FY2016	(2,688)	(1,344)	(269)	269	1,344	2,688
1Q2017	(723)	(362)	(72)	72	362	723

Please also refer to the sensitivity analysis under paragraph headed "Pricing offered to our customers" above, which illustrates the impact of hypothetical fluctuations in gross profit margin on our profit before tax, assuming all other factors remain constant, for each of FY2015, FY2016 and 1Q2017.

Our selling and administrative staff costs

Our selling and administrative staff costs, in aggregate, amounted to approximately HK$9.0 million, HK$8.2 million and HK$2.3 million, and represented approximately 18.3%, 14.6% and 15.0% of our total revenue, for FY2015, FY2016 and 1Q2017, respectively. An increase in our staff cost could materially affect our operating expenses, which in turn could adversely affect the results of our operations and our profit margin.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our staff cost on our profit before tax, assuming all other factors remain constant. Fluctuations are assumed to be 5%, 8% and 10% for each of FY2015, FY2016 and 1Q2017.

Changes in total staff cost	**+10%**	**+8%**	**+5%**	**–5%**	**–8%**	**–10%**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Impact on profit before income tax for						
FY2015	(896)	(717)	(448)	448	717	896
FY2016	(816)	(653)	(408)	408	653	816
1Q2017	(223)	(178)	(111)	111	178	223

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The preparation of financial information in conformity with HKFRS requires the use of certain critical accounting estimates. Although these estimates are based on our management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and judgements. More details of the significant accounting policies applied in preparing our financial statements are set out in Note 3 to the Accountant's Report in Appendix I to this prospectus.

(a) Available-for-sale financial assets

Our available-for-sale financial assets are non-derivatives that are either designated or not classified as other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

Any impairment losses on our available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For our available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(b) Trade receivables

Our trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (trade debtors), and also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

An impairment loss is recognised in profit or loss and directly reduces the carrying amount of trade receivables when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

(c) Revenue recognition

Our revenue is principally derived from providing advertising services and display services to our customers, and is recognised on a straight-line basis over the performance period for which the advertisements are displayed.

(d) Lease

We enter into license agreements with licensors such as minibus operators, operators of public hospitals, and health and beauty retail chains, under which we have the right to use the licensors' advertising spaces for the display of advertisements. The license agreements under which significant portion of the risks and rewards of ownership are retained by the licensors are classified as operating lease arrangements. Payments made under such lease arrangements are charged to our profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets.

SUMMARY OF RESULTS OF OPERATIONS

The following table summarises our combined results for the Track Record Period prepared on the basis set out in the audited financial statements as set out in the Accountant's Report of our Group contained in Appendix I to this prospectus. Potential investors should read this section in conjunction with the Accountant's Report of our Group contained in Appendix I to this prospectus and not rely merely on the information contained in this section.

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	49,130	55,824	12,750	14,787
Cost of sales	(24,243)	(29,269)	(6,260)	(7,946)
Gross profit	24,887	26,555	6,490	6,841
Other income and gains/ (losses), net	1,579	2,025	547	430
Selling expenses	(4,444)	(4,742)	(1,197)	(1,317)
Administrative expenses	(6,935)	(6,100)	(1,664)	(1,443)
Listing expenses	—	—	—	(4,799)
Other operating expenses	(1,100)	(917)	(275)	—
Finance costs	(164)	(90)	(30)	(12)
Profit/(loss) before income tax	13,823	16,731	3,871	(300)
Income tax expense	(2,164)	(2,535)	(570)	(676)
Profit/(loss) for the year/ period	11,659	14,196	3,301	(976)
Profit/(loss) attributable to:				
Owners of the Company	11,659	14,196	3,301	(976)
Non-controlling interests	—	—	—	—
	11,659	14,196	3,301	(976)

DESCRIPTION OF KEY INCOME STATEMENT ITEMS

Revenue

Our revenue mainly represents the fees paid/payable to us by our advertiser customers for using our advertising spaces and services on minibuses, in hospitals and clinics, health and beauty retailers, and taxis. Ancillary to providing advertising spaces and services, we also offer to our customers convenient services from project consultation, design and production, advertisement, logistics and installation services. We mainly operate in Hong Kong and have an insignificant amount of revenue generated from Macau. Our total revenue increased from approximately HK$49.1 million for FY2015 to HK$55.8 million for FY2016, representing a growth of approximately 13.6%. Our total revenue also increased from approximately HK$12.8 million for 1Q2016 to HK$14.8 million for 1Q2017, representing a growth of approximately 16.0%.

The following table sets forth a breakdown of our revenue by types of advertising spaces for the periods indicated:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000* (unaudited)	*%*	*HK$'000*	*%*
Transportation business								
Minibus	33,063	67.3	41,257	73.9	9,523	74.7	10,565	71.5
Taxi	181	0.4	627	1.1	76	0.6	780	5.3
Others[(Note)]	2,139	4.3	2,703	4.9	270	2.1	418	2.8
Healthcare business								
Hospitals and clinics	9,511	19.4	7,710	13.8	1,660	13.0	2,445	16.5
Health and beauty retail stores	4,236	8.6	3,527	6.3	1,221	9.6	579	3.9
Total	49,130	100.0	55,824	100.0	12,750	100.0	14,787	100.0

Note: Others include mainly revenue generated from advertising spaces in MTR stations and the provision of other miscellaneous advertising services.

During the Track Record Period, minibus represented our largest type of advertising space, and we generated a substantial part of our revenue from providing minibus advertising spaces and services to our customers, which represented approximately 67.3%, 73.9% and 71.5% of our revenue for FY2015, FY2016 and 1Q2017, respectively. Advertising income from spaces in hospitals and clinics, and health and beauty retail stores also contributed materially to our revenue during the Track Record Period. Advertising income from spaces in hospitals and clinics represented approximately 19.4%, 13.8% and 16.5% of our revenue, and advertising income from spaces in health and beauty retail stores represented approximately 8.6%, 6.3% and 3.9% of our revenue, for FY2015 and FY2016 and 1Q2017, respectively.

The following table sets forth a breakdown of our revenue segments by exclusivity of license agreements for the periods indicated:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000* (unaudited)	*%*	*HK$'000*	*%*
Minibus								
— Exclusive	21,651	44.1	26,364	47.2	5,670	44.5	6,603	44.7
— Non-exclusive	11,412	23.2	14,893	26.7	3,853	30.2	3,962	26.8
Minibus total	33,063	67.3	41,257	73.9	9,523	74.7	10,565	71.5
Taxi								
— Exclusive	—	—	6	0.0	—	—	21	0.2
— Non-exclusive	181	0.4	621	1.1	76	0.6	759	5.1
Taxi total	181	0.4	627	1.1	76	0.6	780	5.3
Hospitals and clinics								
— Exclusive	9,141	18.6	7,486	13.4	1,653	13.0	2,274	15.4
— Non-exclusive	370	0.8	224	0.4	7	0.0	171	1.1
Hospitals and clinics total	9,511	19.4	7,710	13.8	1,660	13.0	2,445	16.5
Health and beauty retail stores								
— Exclusive	4,236	8.6	3,527	6.3	1,221	9.6	579	3.9
— Non-exclusive	—	—	—	—	—	—	—	—
Health and beauty retail stores total	4,236	8.6	3,527	6.3	1,221	9.6	579	3.9
Total exclusive	35,028	71.3	37,383	66.9	8,544	67.1	9,477	64.2
Total non-exclusive	11,963	24.4	15,738	28.2	3,936	30.8	4,892	33.0
Others	2,139	4.3	2,703	4.9	270	2.1	418	2.8
Total	49,130	100.0	55,824	100.0	12,750	100.0	14,787	100.0

A majority of our advertising spaces are licensed on an exclusive basis. As at 30 June 2016, we have exclusive advertising spaces on 752 minibuses, in 18 hospitals, 23 medical clinics, 179 health and beauty retail stores and 36 taxis in Hong Kong, and 13 health and beauty retail stores in Macau. For our minibus advertising segment, approximately 44.1%, 47.2% and 44.7% of the revenue for FY2015, FY2016 and 1Q2017, respectively, represented income generated from agreements on an exclusive basis. All of the revenue from our health and beauty retail stores segment, and almost all of the revenue from our hospitals and clinics segment, was generated from agreements on an exclusive basis.

The following table sets forth a breakdown of our revenue by types of customers:

	For the year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	%	*HK$'000*	%	*HK$'000* (unaudited)	%	*HK$'000*	%
End-users	33,470	68.1	42,539	76.1	9,598	75.3	11,941	80.8
Intermediaries	15,660	31.9	13,285	23.9	3,152	24.7	2,846	19.2
Total	49,130	100.0	55,824	100.0	12,750	100.0	14,787	100.0

During the Track Record Period, our customers comprised (i) end-users, which include major local and international companies from a diverse set of industries such as pharmaceutical, healthcare, beauty, food and beverage, furniture and entertainment, as well as non-profit organisations and political parties in Hong Kong; and (ii) intermediaries, which are mostly multinational intermediaries. For FY2015, FY2016 and 1Q2017, approximately 68.1%, 76.1% and 80.8% of our revenue was generated from end-users.

Analysis on each type of advertising space

Minibus advertising

According to the CIC Report, in terms of revenue, we were the largest minibus advertising company in Hong Kong in 2015 with a market share of approximately 34.3%. Minibus advertising is one of our core business segments, and we generated a substantial part of our revenue from providing minibus advertising spaces and services to our customers, which represented approximately 67.3%, 73.9% and 71.5% of our total revenue for FY2015, FY2016 and 1Q2017, respectively.

Revenue generated from minibus advertising increased by approximately HK$8.2 million from approximately HK$33.1 million for FY2015 to HK$41.3 million for FY2016 as we were able to generate higher advertising income from both exclusive and non-exclusive minibus advertising spaces. For exclusive minibus advertising spaces, our revenue increased from approximately HK$21.7 million for FY2015 to HK$26.4 million for FY2016. Such increase was mainly due to a significant advertising campaign of one of our top five customers, Marksam Holdings Company Limited, for one of its branded products during the second half of FY2016. In addition, we were also able to secure more exclusive minibus routes in FY2016, which allowed us to provide more advertising spaces to our customers. For non-exclusive minibus advertising spaces, our revenue increased from approximately HK$11.4 million for FY2015 to HK$14.9 million for FY2016. Such increase was mainly due to our ability to secure some larger orders from our advertising agency customers as a result of the advertising campaigns of some of their customers in both the finance and healthcare industries.

Revenue generated from minibus advertising increased by approximately HK$1.1 million from approximately HK$9.5 million for 1Q2016 to HK$10.6 million for 1Q2017 as we were able to generate higher advertising income from mainly exclusive minibus advertising spaces. For exclusive minibus advertising spaces, our revenue increased from approximately HK$5.7 million for 1Q2016 to HK$6.6 million for 1Q2017. Such increase was mainly due to more advertising campaigns by political parties in Hong Kong due to the 2016 Hong Kong Legislative Council election.

In line with the revenue increase from our minibus advertising business during the Track Record Period, the occupancy rate for our exclusive advertising spaces on minibuses also increased from approximately 65% for FY2015 to 79% for FY2016 and 84% for 1Q2017. As disclosed above, as our minibus advertising business represented the largest revenue contributor during the Track Record Period, for sensitivity analysis purpose, we illustrate the impact of hypothetical fluctuations in occupancy rate for our exclusive minibus advertising spaces, assuming all other factors remain constant. Fluctuations are assumed to be 1%, 5% and 10% respectively, for each of FY2015, FY2016 and 1Q2017.

Changes in occupancy rates for our exclusive minibus advertising spaces	**+10%**	**+5%**	**+1%**	**–1%**	**–5%**	**–10%**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Impact on profit before income tax for						
FY2015	3,331	1,665	333	(333)	(1,665)	(3,331)
FY2016	3,337	1,669	334	(334)	(1,669)	(3,337)
1Q2017	786	393	79	(79)	(393)	(786)

Taxi advertising

Revenue generated from taxi advertising increased from approximately HK$0.2 million for FY2015 to HK$0.6 million for FY2016. Such increase was mainly due to higher advertising income from non-exclusive taxi advertising spaces as a result of more customers placing advertisements on an as-needed basis. Revenue generated from non-exclusive taxi advertising spaces increased from approximately HK$0.2 million for FY2015 to HK$0.6 million for FY2016. We only commenced exclusive arrangements with taxi operators in FY2016. Revenue generated from taxi advertising increased from approximately HK$0.1 million for 1Q2016 to HK$0.8 million for 1Q2017. Such increase was mainly due to higher advertising income from non-exclusive taxi advertising spaces as a result of the advertising campaigns by political parties in Hong Kong for the 2016 Hong Kong Legislative Council election.

Others

The others category mainly comprised revenue generated from the provision of other types of advertising spaces (for example advertising spaces in MTR stations) to our customers on an as-needed basis, and the provision of other miscellaneous advertising services. Revenue generated from the others category increased from approximately HK$2.1 million for FY2015 to HK$2.7 million for FY2016, and from approximately HK$0.3 million for 1Q2016 to HK$0.4 million for 1Q2017. The increase in revenue for FY2016 was mainly due to us receiving orders of relatively higher contract amounts from our customers for placing advertisement in MTR stations during FY2016 (as compared to FY2015) and during 1Q2017 (as compared to 1Q2016) on an ad-hoc basis.

Hospitals and clinics advertising

We have exclusive license to provide advertising spaces in 17 public hospitals, 1 private hospital and 23 clinics in Hong Kong operated by a major medical clinic operator in Hong Kong. Revenue generated from hospitals and clinics advertising decreased by approximately HK$1.8 million from approximately HK$9.5 million for FY2015 to HK$7.7 million for FY2016. The higher revenue for FY2015 was mainly due to a relatively large advertising campaign by one of our insurance company advertisers during FY2015. Although this insurance company advertiser continued to place advertisements on our public hospital advertising spaces during FY2016, the contract amounts were comparatively smaller. Revenue generated from hospitals and clinics advertising increased by approximately HK$0.7 million from approximately HK$1.7 million for 1Q2016 to HK$2.4 million for 1Q2017. Such increase was mainly due to higher advertising revenue generated from customers in the healthcare and household products industries.

Health and beauty retail stores advertising

We have exclusive right to provide advertising on about 200 digital media screens and panels in the retail network of one of the leading health and beauty retail chains in Hong Kong, comprising 179 stores in Hong Kong and 13 stores in Macau. Revenue generated from health and beauty retail stores decreased from approximately HK$4.2 million for FY2015 to HK$3.5 million for FY2016, and from approximately HK$1.2 million for 1Q2016 to HK$0.6 million for 1Q2017. Such decrease in revenue was mainly due to the slowdown in the retail market in Hong Kong, which led to our customers placing less advertisements in the health and beauty retail stores.

Cost of Sales

Our cost of sales mainly comprised (i) license fees paid/payable to our licensors for licensing their advertising spaces; and (ii) artwork and production costs, which are costs incurred from our ancillary services and include mainly printing, installation and dismantling charges, which are generally done by subcontractors.

The following table sets forth the various components of our cost of sales during the Track Record Period:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*% of revenue*	*HK$'000*	*% of revenue*	*HK$'000* (unaudited)	*% of revenue*	*HK$'000*	*% of revenue*
License fees	22,350	45.4	26,877	48.1	5,882	46.1	7,233	48.9
Artwork and production costs	1,557	3.2	1,947	3.5	228	1.8	658	4.4
Others[(Note)]	336	0.7	445	0.8	150	1.2	55	0.4
Total	24,243	49.3	29,269	52.4	6,260	49.1	7,946	53.7

Note: Others include mainly depreciation of advertising equipments.

License fees were the largest component during the Track Record Period and accounted for approximately 92.2%, 91.8% and 91.0% of our cost of sales for FY2015, FY2016 and 1Q2017, respectively. Artwork and production costs accounted for approximately 6.4%, 6.7% and 8.3% of our cost of sales for FY2015, FY2016 and 1Q2017, respectively, and mainly represented costs in engaging subcontractors to provide printing, installation and dismantling services to our customers.

The increase in cost of sales in FY2016 as compared to FY2015 was mainly due to the increase in license fees, which increased from approximately HK$22.4 million for FY2015 to HK$26.9 million for FY2016. Such increase was mainly due to (i) the increase in license fees paid/payable to non-exclusive minibus operators, which is consistent with the increase in revenue generated from our non-exclusive minibus advertising spaces in FY2016; (ii) the increase in license fees paid/payable to exclusive minibus operators as a result of us securing more exclusive advertising spaces on minibuses in FY2016; and (iii) the increase in minimum guaranteed license fee to our health and beauty retail chain licensor, which commenced in July 2015.

The increase in cost of sales in 1Q2017 as compared to 1Q2016 was also due to the increase in license fees, which increased from approximately HK$5.9 million for 1Q2016 to HK$7.2 million for 1Q2017. Such increase was mainly due to (i) the increase in minimum guaranteed license fee to our health and beauty retail chain licensor, which commenced in July 2015; and (ii) the increase in license fees paid/payable to taxi operators due to higher revenue generated from our taxi advertising spaces as political parties in Hong Kong placed more advertisement in preparation for the 2016 Hong Kong Legislative Council election.

The following table sets forth a breakdown of our license fees by types of advertising spaces.

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Transportation business				
Minibus	15,886	17,671	4,348	4,625
Taxi	119	505	53	450
Others*(Note)*	813	1,919	271	297
Healthcare business				
Hospitals and clinics	2,784	2,631	571	804
Health and beauty retail stores	2,748	4,151	639	1,057
Total	22,350	26,877	5,882	7,233

Note: Others include mainly license fees paid/payable to the licensor of advertising spaces in MTR stations.

As stated in the sub-section headed "Revenue" above, we generated a substantial part of our revenue from the provision of minibus advertising spaces and services to our customers, which represented approximately 67.3%, 73.9% and 71.5% of our revenue for FY2015, FY2016 and 1Q2017, respectively. License fees paid/payable to minibus operators therefore also contributed a significant approximately 71.1%, 65.7% and 63.9% of our license fees for FY2015, FY2016 and 1Q2017, respectively. The increase in our license fees in FY2016 as compared to FY2015 was mainly due to the increase in license fees paid/payable to minibus operators and health and beauty retail stores, and the increase in our license fees in 1Q2017 as compared to 1Q2016 was mainly due to the increase in license fees paid/payable to health and beauty retail stores and taxi operators.

The following table sets forth a breakdown of our license fees payable to our licensors by fixed and variable nature:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Fixed nature*(Note 1)*	10,808	14,133	2,777	3,875
Variable nature*(Note 2)*	11,542	12,744	3,105	3,358
Total	22,350	26,877	5,882	7,233

Notes:

(1) Comprises the fixed minimum guaranteed amount charged to profit or loss on a straight-line basis over the relevant contract periods under exclusive license agreements.

(2) Comprises the percentage share of revenue earned and recognised during the period under exclusive license agreements and license fees payable for securing advertising spaces under non-exclusive license agreements.

The exclusive license agreements that we enter into with our licensors generally require us to promote the relevant advertising spaces to advertisers and pay a fixed minimum annual license fee to the licensors. Some of them also contain provision for profit sharing on a percentage basis if a specified threshold is exceeded. Depending on the requirements of our customers, we may also secure advertising spaces from other suppliers with whom we have not entered into long-term or exclusive license agreements, and we usually have to pay the license fee in advance for securing such advertising spaces.

The increase in our license fees in FY2016 (as compared to FY2015) and in 1Q2017 (as compared to 1Q2016) was mainly due to the increase in our license fees by fixed nature. Our license fees by fixed nature increased from approximately HK$10.8 million for FY2015 to HK$14.1 million for FY2016 as a result of mainly an increase in number of exclusive minibus routes in FY2016 and an increase in minimum guaranteed license fee to our health and beauty retail chain licensor. Our license fees by fixed nature increased from approximately HK$2.8 million for 1Q2016 to HK$3.9 million for 1Q2017 as a result of mainly the increase in minimum guaranteed license fee to our health and beauty retail chain licensor.

Gross profit and gross profit margin

We recorded a gross profit of approximately HK$24.9 million and HK$26.6 million, and gross profit margin of approximately 50.7% and 47.6%, for FY2015 and FY2016, respectively. We recorded a gross profit of approximately HK$6.5 million and HK$6.8 million, and gross profit margin of approximately 50.9% and 46.3%, for 1Q2016 and 1Q2017, respectively. The increase in gross profit in FY2016 as compared to FY2015 and in 1Q2017 as compared to 1Q2016 was attributable to the increase in revenue during the year/period. Our gross profit margin decreased slightly, however, mainly as a result of a gross loss from our advertising spaces in the health and beauty retail stores during FY2016 and 1Q2017.

The following table sets forth our gross profit and gross profit margin by the major types of advertising spaces during the Track Record Period:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	Gross profit *HK$'000*	Gross profit margin *%*	Gross profit *HK$'000*	Gross profit margin *%*	Gross profit *HK$'000* (unaudited)	Gross profit margin *%*	Gross profit *HK$'000*	Gross profit margin *%*
Transportation business								
Minibus	15,703	47.5	21,589	52.3	4,848	50.9	5,323	50.4
Taxi	48	26.5	28	4.5	23	30.3	284	36.4
Others	1,257	58.8	746	27.6	(1)	(0.4)	112	26.8
Healthcare business								
Hospitals and clinics	6,570	69.1	4,964	64.4	1,074	64.7	1,631	66.7
Health and beauty retail stores	1,309	30.9	(772)	(21.9)	546	44.7	(509)	(87.9)
Total/Overall	**24,887**	**50.7**	**26,555**	**47.6**	**6,490**	**50.9**	**6,841**	**46.3**

The gross profit of our minibus advertising spaces increased from approximately HK$15.7 million for FY2015 to HK$21.6 million for FY2016 mainly as a result of the increase in revenue from this segment during the year from both exclusive and non-exclusive minibus advertising spaces. The gross profit margin of our minibus advertising spaces recorded an increase from approximately 47.5% for FY2015 to 52.3% for FY2016. For exclusive minibus advertising spaces, we charge our customers depending on the routes, demand and availability, which is measured by the occupancy rate. The increase in gross profit margin was mainly due to the higher occupancy rate of (which meant higher demand for) our exclusive minibus advertising spaces in FY2016 as compared to FY2015, which allowed us to charge our customers a higher margin. The occupancy rate of our exclusive minibus advertising spaces increased from approximately 65% for FY2015 to 79% for FY2016. The gross profit of our minibus advertising spaces increased from approximately HK$4.8 million for 1Q2016 to HK$5.3 million for 1Q2017 as a result of the increase in revenue from this segment during the period from mainly exclusive minibus advertising spaces. This segment's gross profit margin remained relatively stable at approximately 50.9% for 1Q2016 and 50.4% for 1Q2017.

The gross profit of our advertising spaces in hospitals and clinics decreased from approximately HK$6.6 million for FY2015 to HK$5.0 million for FY2016 mainly as a result of the decrease in revenue from this segment during the year. The comparatively higher revenue for FY2015 was mainly due to a relatively large advertising campaign by one of our insurance company advertisers during FY2015. As we paid a minimum guaranteed fee to hospitals and clinics pursuant to the license agreements, a decrease in revenue coupled with a fixed minimum guaranteed fee led to the decrease in gross profit margin of our advertising spaces in hospitals and clinics from approximately 69.1% for FY2015 to 64.4% for FY2016. The gross profit of our advertising spaces in hospitals and clinics increased from approximately HK$1.1 million for 1Q2016 to HK$1.6 million for 1Q2017 mainly as a result of the increase in revenue from this segment during the period. The comparatively higher revenue for 1Q2017 was mainly due to higher advertising revenue generated from customers in the healthcare and household products industries. This segment's gross profit margin remained relatively stable at approximately 64.7% for 1Q2016 and 66.7% for 1Q2017.

Our advertising spaces in health and beauty retail stores turned from recording a gross profit of approximately HK$1.3 million for FY2015 and HK$0.5 million for 1Q2016 to incurring a gross loss of HK$0.8 million for FY2016 and HK$0.5 million for 1Q2017 mainly as a result of the decrease in revenue from this segment and an increase in license fees paid/payable to health and beauty retail stores during the year/period. The gross profit margin of our advertising spaces in health and beauty retail stores decreased substantially from approximately 30.9% for FY2015 to a gross loss margin of 21.9% for FY2016 and further decreased to a gross loss margin of 87.9% for 1Q2017. Such decrease was mainly due to our health and beauty retail chain licensor raising the minimum guaranteed license fee by approximately 50% since July 2015 when the licensing agreement was renewed in view of our satisfactory performance under the previous agreement. However, due to the slowdown in the retail market in Hong Kong during FY2016 and 1Q2017, this increased minimum guaranteed license fee exceeded our advertising revenue and hence led to a gross loss from this segment. We will continue to closely monitor our business in the health and beauty retail stores to generate more revenue from this segment.

The others category mainly comprised revenue generated from the provision of advertising spaces in MTR stations and bus to our customers on an as-needed basis, and the provision of other miscellaneous advertising services such as arranging PR campaign for clients. The gross profit of others reduced from approximately HK$1.3 million for FY2015 to HK$0.7 million for FY2016 as there was a decrease in contribution from the higher-margin other miscellaneous advertising items, which was partially offset by an increase in the lower-margin gross profits from MTR advertisement placements in FY2016. As a result, the gross profit margin also decreased from 58.8% for FY2015 to 27.6% for FY2016. This segment recorded a gross loss of HK$1,000 in 1Q2016 as compared to a gross profit of HK$0.1 million for 1Q2017 as a discount was offered to a long-term customer of our Group for an MTR advertisement placement for 1Q2016.

Other income and gains/(losses), net

The following table sets forth the breakdown of our other income and gains/(losses), net during the Track Record Period.

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Investment income	813	917	280	102
Rental income	617	665	180	113
Exchange gain/(loss), net	3	(116)	8	—
Gain/(Loss) on disposal of available-for-sale financial assets	(46)	437	15	199
Bank interest income	54	63	27	13
Others	138	59	37	3
Total	1,579	2,025	547	430

Other income and gains/(losses), net mainly comprised dividend income received from our available-for-sale security investments, rental income from leasing media boxes to a customer, net exchange gain or loss relating to our available-for-sale financial assets, and gain or loss on disposal of our available-for-sale financial assets. The increase in other income and gains/(losses), net in FY2016 was mainly due to a gain on disposal of our available-for-sale financial assets of approximately HK$0.4 million for FY2016 as compared to a loss on disposal of our available-for-sale financial assets of approximately HK$46,000 for FY2015. The small decrease in other income and gains/(losses), net in 1Q2017 as compared to 1Q2016 was mainly due to a decrease in rental income from leasing media boxes and a decrease in investment income from our available-for-sale financial assets as we had been disposing them, which were partially offset by an increase in gain on disposal of our available-for-sale financial assets during 1Q2017.

For our investments in financial assets, we have adopted an investment policy in order to ensure that, among other things, investment transactions to be entered into by us will be properly reviewed and authorised. For further details of such investment policy, please refer to “Business — Internal Control and Risk Management — Investment — Investment Policy”.

Selling expenses

The following table sets forth the breakdown of our selling expenses during the Track Record Period:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*% of revenue*	*HK$'000*	*% of revenue*	*HK$'000* (unaudited)	*% of revenue*	*HK$'000*	*% of revenue*
Staff cost	4,005	8.2	4,276	7.7	1,106	8.7	1,287	8.7
Others	439	0.8	466	0.8	91	0.7	30	0.2
Total	4,444	9.0	4,742	8.5	1,197	9.4	1,317	8.9

Our selling expenses mainly comprised staff cost, which represented salary and sales commission of our sales team. Other expenses mainly represented marketing expenses and travelling expenses of our sales team.

The increase in selling expenses from HK$4.4 million for FY2015 to HK$4.7 million for FY2016 was mainly due to the increase in staff cost of our sales team. For FY2016, our staff cost increased by approximately HK$0.3 million as compared to FY2015 due to mainly an increase in sales commission as a result of our improved sales performance in FY2016. The increase in selling expenses for 1Q2017 as compared to that for 1Q2016 was mainly due to the increase in staff cost of our sales team. For 1Q2017, our staff cost increased by approximately HK$0.2 million as compared to 1Q2016 due to mainly an increase in sales commission as a result of our improved sales performance in 1Q2017.

Administrative expenses

The following table sets forth the breakdown of our administrative expenses during the Track Record Period:

	Year ended 31 March				Three months ended 30 June			
	2015		2016		2015		2016	
	HK$'000	*% of revenue*	*HK$'000*	*% of revenue*	*HK$'000* (unaudited)	*% of revenue*	*HK$'000*	*% of revenue*
Staff cost	4,952	10.2	3,882	6.9	956	7.5	938	6.4
Entertainment expenses	249	0.5	492	0.9	142	1.2	33	0.2
Travelling expenses	304	0.6	375	0.7	169	1.3	60	0.4
Consultancy fees	158	0.3	180	0.3	45	0.4	65	0.4
Insurance fees	152	0.3	148	0.3	65	0.5	60	0.4
Rent & rates	213	0.4	212	0.4	52	0.4	52	0.4
Others*(Note)*	907	1.9	811	1.4	235	1.8	235	1.6
Total	6,935	14.1	6,100	10.9	1,664	13.1	1,443	9.8

Note: Others include mainly audit fees, repair and maintenance expenses, printing and stationary expenses, bank charges, utility charges and other miscellaneous administrative expenses.

Our administrative expenses mainly comprised administrative staff cost, entertainment expenses, travelling expenses, rent and rates, and other administrative expenses relating to our operating function. For FY2015 and FY2016, we incurred administrative expenses of approximately HK$6.9 million and HK$6.1 million, respectively, and for 1Q2016 and 1Q2017, we incurred administrative expenses of approximately HK$1.7 million and HK$1.4 million, respectively.

Administrative staff cost accounted for approximately 71.4% and 63.6% of our administrative expenses for FY2015 and FY2016, and approximately 57.5% and 65.0% of our administrative expenses for 1Q2016 and 1Q2017, respectively. The decrease in our administrative expenses from FY2015 to FY2016 was mainly due to a decrease in administrative staff cost from approximately HK$5.0 million for FY2015 to HK$3.9 million for FY2016, which was mainly due to the bonuses of HK$0.8 million paid to two Directors, namely Ms. Chau and Mr. Lean, during FY2015 and no such bonus was paid during FY2016. Moreover, there was a departure of a few administrative staff who provided mainly clerical functions and a decrease in staff welfare costs which also contributed to the decrease in administrative staff cost from FY2015 to FY2016. The decrease in our administrative expenses from 1Q2016 to 1Q2017 was mainly due to (i) a decrease in entertainment expenses from approximately HK$0.1 million for 1Q2016 to HK$33,000 for 1Q2017; and (ii) a decrease in travelling expenses from approximately HK$0.2 million to HK$60,000 as a result of less business travelling for our administrative staff.

Listing expenses

Listing expenses mainly comprised professional party expenses incurred for the Listing. The total listing expenses to be borne by us are estimated to be approximately HK$18.6 million (assuming the Placing Price of HK$0.25 per Placing Share, being the mid-point of the proposed Placing Price range). For 1Q2017, we recognised listing expenses of approximately HK$4.8 million.

We expect to further incur listing expenses of approximately HK$13.8 million, among which an estimated amount of approximately HK$8.0 million is to be recognised as our expenses and the remaining estimated listing expenses is expected to be charged to equity upon the Listing. Such expenses are expected to be charged for the year ending 31 March 2017.

Other operating expenses

Our other operating expenses amounted to approximately HK$1.1 million, HK$0.3 million and HK$0.9 million for FY2015, 1Q2016 and FY2016, respectively, which represented the annual guaranteed license fee paid/payable to our hospitals and clinics advertising space licensor pursuant to a digital media advertising contract entered into on 1 January 2013 for a term of three years for the placing of advertisements on digital posters. Such digital media advertising contract was part of a pilot scheme of our hospital and clinic advertising licensor and was not renewed subsequent to the end of the contract term. We did not generate any revenue from this digital media advertising contract as we decided to abort the project after evaluating the cost and benefit of the project.

Finance costs

Finance costs represented interest on our bank loan. During the Track Record Period, our finance costs were insignificant, amounting to approximately HK$164,000 and HK$90,000 for FY2015 and FY2016, and approximately HK$30,000 and HK$12,000 for 1Q2016 and 1Q2017, respectively.

Income tax expense

Given that our business operations are located in Hong Kong, we are subject to the income taxes in Hong Kong. Our income tax represented Hong Kong profits tax during the Track Record Period. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits derived from Hong Kong during the Track Record Period.

Our effective tax rates were approximately 15.7% for FY2015 and 15.2% for FY2016, and approximately 14.7% for 1Q2016 and 15.0% for 1Q2017 (excluding listing expenses, which is non-recurring in nature). The aforesaid effective tax rates were lower than 16.5% due to certain non-taxable income items during each year/period such as capital gains and investment income derived from our available-for-sale financial assets.

We consider that we have paid all relevant taxes and there is no dispute or material unresolved tax issue with the relevant tax authorities during the Track Record Period.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OUR OPERATIONS

FY2016 compared to FY2015

Revenue

For FY2016, our revenue amounted to approximately HK$55.8 million, which represented an increase of HK$6.7 million (or approximately 13.6%) as compared to that of approximately HK$49.1 million for FY2015. Such increase was mainly due to the increase in revenue generated from our exclusive and non-exclusive minibus advertising spaces. For exclusive minibus advertising spaces, such increase was mainly due to a significant advertising campaign of one of our top customers during the second half of FY2016 and we were also able to secure more exclusive minibus routes in FY2016. For non-exclusive minibus advertising spaces, such increase was mainly due to us being able to secure more orders from our advertising agency customers for our non-exclusive minibus advertising spaces.

Cost of sales

For FY2016, our cost of sales amounted to approximately HK$29.3 million, which represented an increase of approximately HK$5.1 million (or approximately 20.7%) as compared to that of approximately HK$24.2 million for FY2015. Such increase was mainly due to the increase in license fees and the existing licensing agreement with our health and beauty retail chain licensor which stipulated a higher minimum guaranteed license fee starting from July 2015.

Gross profit and gross profit margin

For FY2016, our gross profit amounted to approximately HK$26.6 million, representing an increase of approximately HK$1.7 million (or approximately 6.7%) as compared to that of approximately HK$24.9 million for FY2015, and our gross profit margin was approximately 47.6%, representing a decrease of 3.1 percentage points as compared to that of FY2015 of approximately 50.7%. The increase in gross profit was mainly due to the increase in revenue during the year, and the decrease in gross profit margin was mainly due to our health and beauty retail chain licensor raising the minimum guaranteed license fee since July 2015 in view of our satisfactory performance under the previous agreement.

Other income and gains/(losses), net

For FY2016, other income and gains/(losses), net increased to approximately HK$2.0 million, representing an increase of approximately HK$0.4 million (or approximately 28.2%) as compared to that of FY2015 of approximately HK$1.6 million. The increase in other income and gains/(losses), net was mainly due to a gain in disposal of our available-for-sale investments in FY2016 as compared to a loss in disposal of our available-for-sale investments in FY2015.

Selling expenses

For FY2016, our selling expenses amounted to approximately HK$4.7 million, representing an increase of approximately HK$0.3 million (or approximately 6.7%) as compared to that of FY2015 of approximately HK$4.4 million. The increase in selling expenses in FY2016 was mainly due to the increase in sales commission to our sales team as a result of better sales performance in FY2016 as compared to FY2015.

Administrative expenses

For FY2016, our administrative expenses amounted to approximately HK$6.1 million, representing an decrease of approximately HK$0.8 million (or approximately 12.0%) as compared to that of FY2015 of HK$6.9 million. The decrease in administrative expenses in FY2016 was mainly due to bonuses paid to two Directors, namely Ms. Chau and Mr. Lean, during FY2015 and no such bonus was paid during FY2016.

Other operating expenses

For FY2016, our other operating expenses amounted to approximately HK$0.9 million, representing a decrease of approximately HK$0.2 million (or approximately 16.6%) as compared to that of FY2015 of approximately HK$1.1 million. The decrease in other operating expenses in FY2016 was due to the fact that the term of a digital advertising contract entered into between us and our hospital and clinic advertising licensor ended in January 2016 and was not subsequently renewed. As such, our other operating expenses were less in FY2016 as compared to FY2015.

Finance costs

Our finance costs were insignificant, amounting to approximately HK$164,000 and HK$90,000 for FY2015 and FY2016, respectively. The decrease was due to the repayment of bank loans during FY2016.

Income tax expense

For FY2016, our income tax expense amounted to approximately HK$2.5 million, representing an increase of approximately HK$0.3 million (or approximately 17.1%) as compared to that of FY2015 of approximately HK$2.2 million. Our effective tax rates remained relatively stable at approximately 15.7% for FY2015 and 15.2% for FY2016. The aforesaid effective tax rates were lower than 16.5% due to certain non-taxable income items during each year such as capital gains and investment income derived from our available-for-sale financial assets.

Profit for the year ("Net Profit")

As a result of the above, our Net Profit amounted to approximately HK$14.2 million for FY2016, representing an increase of approximately HK$2.5 million (or approximately 21.8%) as compared to that of approximately HK$11.7 million for FY2015.

1Q2016 compared to 1Q2017

Revenue

For 1Q2017, our revenue amounted to approximately HK$14.8 million, which represented an increase of approximately HK$2.0 million (or approximately 16.0%) as compared to that of approximately HK$12.8 million for 1Q2016. Such increase was mainly due to the increase in revenue generated from our exclusive minibus advertising spaces and exclusive public hospital advertising spaces. For exclusive minibus advertising spaces, such increase was mainly due to more advertising campaigns by political parties in Hong Kong due to the 2016 Hong Kong Legislative Council election. For exclusive public hospital advertising spaces, such increase was mainly due to higher advertising revenue generated from customers in the healthcare and household products industries.

Cost of sales

For 1Q2017, our cost of sales amounted to approximately HK$7.9 million, which represented an increase of approximately HK$1.6 million (or approximately 26.9%) as compared to that of approximately HK$6.3 million for 1Q2016. Such increase was mainly due to the increase in license fees as a result of the existing licensing agreement with our health and beauty retail chain licensor which stipulated a higher minimum guaranteed license fee starting from July 2015, and higher license fees paid/payable to non-exclusive taxi operators as a result of higher revenue generated from our taxi advertising spaces during 1Q2017 as compared to 1Q2016 due to mainly political parties in Hong Kong placing more advertisements for the 2016 Hong Kong Legislative Council election.

Gross profit and gross profit margin

For 1Q2017, our gross profit amounted to approximately HK$6.8 million, representing an increase of approximately HK$0.3 million (or approximately 5.4%) as compared to that of approximately HK$6.5 million for 1Q2016, and our gross profit margin was approximately 46.3%, representing a decrease of 4.6 percentage points as compared to that of 1Q2016 of approximately 50.9%. The increase in gross profit was mainly due to the increase in revenue during the period, and the decrease in gross profit margin was mainly due our health and beauty retail chain licensor raising the minimum guaranteed license fee since July 2015 in view of our satisfactory performance under the previous agreement.

Other income and gains/(losses), net

For 1Q2017, other income and gains/(losses), net decreased slightly to approximately HK$0.4 million, representing a decrease of approximately HK$0.1 million (or approximately 21.4%) as compared to that of 1Q2016 of approximately HK$0.5 million. The small decrease in other income and gains/(losses), net in 1Q2017 as compared to 1Q2016 was mainly due to a decrease in rental income from leasing media boxes and a decrease in investment income from our available-for-sale financial assets as we had been disposing them.

Selling expenses

For 1Q2017, our selling expenses amounted to approximately HK$1.3 million, representing an increase of approximately HK$0.1 million (or approximately 10.0%) as compared to that of 1Q2016 of approximately HK$1.2 million. The increase in selling expenses in 1Q2017 was mainly due to the increase in sales commission to our sales team as a result of better sales performance in 1Q2017 as compared to 1Q2016.

Administrative expenses

For 1Q2017, our administrative expenses amounted to approximately HK$1.4 million, representing a decrease of approximately HK$0.3 million (or approximately 13.3%) as compared to that of 1Q2016 of HK$1.7 million. The decrease in administrative expenses in FY2016 was mainly due to a decrease in entertainment expenses and a decrease in travelling expenses as a result of less business travelling for our administrative staff.

Listing expenses

We incurred listing expenses of approximately HK$4.8 million for 1Q2017 and nil for 1Q2016 as we commenced the listing exercise during 1Q2017.

Other operating expenses

For 1Q2017, we did not incur other operating expenses as the term of the aforementioned digital advertising contract entered into between us and our hospital and clinic advertising licensor ended in January 2016 and was not subsequently renewed. As such, we incurred other operating expenses for 1Q2016 but not for 1Q2017.

Finance costs

Our finance costs were insignificant, amounting to approximately HK$30,000 and HK$12,000 for 1Q2016 and 1Q2017, respectively. The decrease was due to the repayment of bank loans during 1Q2017.

Income tax expense

For 1Q2017, our income tax expense amounted to approximately HK$0.7 million, representing an increase of approximately HK$0.1 million (or approximately 18.6%) as compared to that of FY2015 of approximately HK$0.6 million. Our income tax expense increased despite recording a net loss for 1Q2017 because listing expenses incurred during 1Q2017 were not tax deductible. Excluding listing expenses, our effective tax rates remained relatively stable at approximately 14.7% for 1Q2016 and 15.0% for 1Q2017. The aforesaid effective tax rates were lower than 16.5% due to certain non-taxable income items during each period such as capital gains and investment income derived from our available-for-sale financial assets.

Profit/loss for the period

As a result of the above, we recorded a net loss of approximately HK$1.0 million for 1Q2017 as compared to a net profit of approximately HK$3.3 million for 1Q2016. Such net loss was mainly due to the listing expenses of approximately HK$4.8 million incurred during 1Q2017. Excluding listing expenses, which is non-recurring in nature, we would have recorded a net profit of approximately HK$3.8 million for 1Q2017.

LIQUIDITY AND CAPITAL STRUCTURE

We have historically financed our operations (which included funding required for working capital, acquisition of property, plant and equipment, and other liquidity requirements) through a combination of cash flow from operations and bank borrowings. We expect to fund our future operations and expansion plans principally with cash generated from our operations, bank borrowings and the net proceeds from the Placing and other funds raised from capital markets from time to time, when necessary.

Cash flows

The table below sets forth the changes in cash flow of our Group during the Track Record Period:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Net cash generated from operating activities	7,620	11,721	5,265	472
Net cash generated from/(used in) investing activities	1,263	7,404	(999)	1,762
Net cash used in financing activities	(2,559)	(15,367)	(5,699)	(225)
Net increase/(decrease) in cash and cash equivalent	**6,324**	**3,758**	**(1,433)**	**2,009**
Cash and cash equivalent at beginning of the year/period	15,320	21,644	21,644	25,402
Cash and cash equivalents at end of the year/period	**21,644**	**25,402**	**20,211**	**27,411**

Net cash generated from operating activities

During the Track Record Period, we had net cash inflow from our operating activities. We derived our cash generated from operating activities primarily from receipt of advertising income from the provision of advertising spaces and services to our customers. Our cash outflow from operating activities primarily arose from the payment to the advertising space owners for licensing their advertising spaces.

FY2015 and FY2016

For FY2015, cash from operating activities of approximately HK$7.6 million was primarily from profit before income tax of approximately HK$13.8 million adjusted by (i) investment income for FY2015 of approximately HK$0.8 million, which was considered as non-operating cash flow; (ii) an increase in trade receivables of approximately HK$0.7 million; (iii) an increase in deposits, prepayments and other receivables of approximately HK$0.9 million due to mainly an increase in the balance of advance payments to minibus operators; (iv) an increase in amount due from directors of approximately HK$0.6 million; (v) a decrease in trade payables of approximately HK$2.4 million; and (vi) income tax paid of approximately HK$0.7 million.

For FY2016, cash from operating activities of approximately HK$11.7 million was primarily from profit before income tax of approximately HK$16.7 million adjusted by (i) investment income for FY2016 of approximately HK$0.9 million, which was considered non-operating cash flow; (ii) gain upon disposal of available-for-sale financial assets of approximately HK$0.4 million, which was considered non-operating cash flow; (iii) an increase in trade receivables of approximately HK$0.6 million; (iv) an increase in deposits, prepayments and other receivables of approximately HK$0.7 million due to mainly an increase in the balance of advance payments to minibus operators; (v) an increase in accruals and other payables (excluding dividend payable) of approximately HK$1.3 million due to mainly an increase in advance received from our customers; and (vi) income tax paid of approximately HK$3.6 million.

During FY2015, actual tax payment of HK$0.7 million represented the provisional tax calculated based on the assessable profits of FY2014 in accordance with the tax notice for the year of assessment of 2014. Adding the actual tax payable of HK$1.5 million for FY2015 which was paid in FY2016 under the tax notice for the year of assessment of 2015, the income tax expense of our Group for FY2015 amounted to approximately HK$2.2 million.

During FY2016, actual tax payment of HK$3.6 million represented the tax payable of HK$1.5 million calculated based on the actual assessable profits of FY2015 and the provisional tax payable of HK$2.1 million for FY2016 in accordance with the tax notice for the year of assessment of 2015. The remaining HK$0.4 million tax payable after deducting the provisional tax of HK$2.1 million already paid from total income tax expense for FY2016 of HK$2.5 million is expected to be paid in FY2017 under the tax notice for the year of assessment of 2016.

1Q2016 and 1Q2017

For 1Q2016, cash from operating activities of approximately HK$5.3 million was primarily from profit before income tax of approximately HK$3.9 million adjusted by (i) investment income for 1Q2016 of approximately HK$0.3 million, which was considered as non-operating cash flow; (ii) an increase in trade receivables of approximately HK$0.4 million; (iii) a decrease in amount due from directors, namely Ms. Chau and Mr. Lean, of approximately HK$0.5 million; and (iv) an increase in accruals and other payables (excluding dividend payable) of approximately HK$1.4 million due to mainly an increase in advance received from our customers.

For 1Q2017, cash from operating activities of approximately HK$0.5 million was primarily from loss before income tax of approximately HK$0.3 million adjusted by (i) gain upon disposal of available-for-sale financial assets of approximately HK$0.2 million, which was considered non-operating cash flow; (ii) a decrease in trade receivables of approximately HK$0.5 million; (iii) an increase in deposits, prepayments and other receivables of approximately HK$0.6 million due to mainly an increase in the balance of advance payments to minibus operators; (iv) an increase in amounts due from directors, namely Ms. Chau and Mr. Lean, of approximately HK$0.7 million; and (v) an increase in accruals and other payables of approximately HK$2.3 million due to mainly an increase in accrued expenses relating to listing expenses payable to professional parties.

Net cash generated from investing activities

During the Track Record Period, we had net cash inflow from our investing activities. We derived our net cash generated from investing activities primarily from the purchase and disposal of available-for-sale financial assets, and investment income from available-for-sale financial assets.

FY2015 and FY2016

For FY2015, net cash from investing activities of approximately HK$1.3 million was primarily from the disposal of available-for-sale financial assets of approximately HK$1.6 million and the receipt of investment income of approximately HK$0.8 million, which was partially offset by the purchase of available-for-sale financial assets of approximately HK$1.0 million during the year.

For FY2016, net cash from investing activities of approximately HK$7.4 million was primarily from the disposal of available-for-sale financial assets of approximately HK$7.8 million and the decrease in pledged bank deposits balance of approximately HK$2.2 million, which was partially offset by the purchase of available-for-sale financial assets of approximately HK$2.9 million during the year.

1Q2016 and 1Q2017

For 1Q2016, net cash used in investing activities of approximately HK$1.0 million was primarily from the purchase of available-for-sale financial assets of approximately HK$2.9 million, which was partially offset by the disposal of available-for-sale financial assets of approximately HK$1.6 million during the period.

For 1Q2017, net cash from investing activities of approximately HK$1.8 million was primarily from the disposal of available-for-sale financial assets of approximately HK$1.7 million during the period.

Net cash used in financing activities

During the Track Record Period, we had net cash outflow from our financing activities. Net cash outflows were primarily from the repayment of bank borrowings and dividends paid.

FY2015 and FY2016

For FY2015, net cash used in financing activities of approximately HK$2.6 million was primarily for the repayment of bank borrowings of approximately HK$2.7 million and dividends paid of approximately HK$2.2 million, which was partially offset by the proceeds from new bank borrowings of approximately HK$2.5 million during the year.

For FY2016, net cash used in financing activities of approximately HK$15.4 million was primarily for the repayment of bank borrowings of approximately HK$1.4 million and dividends paid of approximately HK$13.8 million during the year.

1Q2016 and 1Q2017

For 1Q2016, net cash used in financing activities of approximately HK$5.7 million was primarily for the payment of dividends of approximately HK$5.3 million during the period.

For 1Q2017, net cash used in financing activities of approximately HK$0.2 million was primarily for the repayment of bank borrowings of approximately HK$0.2 million during the period.

Capital expenditures

Our Group's capital expenditure for FY2015 amounted to approximately HK$0.1 million, which consisted of expenditures for advertising display monitors and devices, and furniture and fixtures, and for FY2016 amounted to approximately HK$0.1 million, which consisted of expenditures for advertising display monitors and devices, furniture and fixtures, and a motor vehicle. Our Group did not incur any capital expenditure for 1Q2017.

Current assets and current liabilities

The table below sets forth our current assets and current liabilities as at the relevant balance sheet dates indicated:

	As at 31 March		As at 30 June	As at 31 October
	2015	2016	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)
Current assets				
Available-for-sale financial assets	8,301	3,803	2,228	2,236
Trade receivables	4,708	5,306	4,798	4,253
Deposits, prepayments and other receivables	3,381	4,044	4,671	4,686
Amounts due from directors	1,877	1,786	2,485	2,244
Pledged bank deposit	2,696	468	468	468
Cash and bank balances	21,946	26,305	28,314	27,616
	42,909	41,712	42,964	41,503
Current liabilities				
Trade payables	1,288	1,127	663	450
Accruals, deposits received and other payables	15,410	10,846	13,160	22,915
Bank borrowings	2,454	1,017	804	516
Amount due to a director	184	—	—	—
Tax payable	1,464	352	1,028	2,122
	20,800	13,342	15,655	26,003
Net current assets	22,109	28,370	27,309	15,500

As at 31 March 2015, we had net current assets of approximately HK$22.1 million. Our current assets mainly composed of cash and bank balances of approximately HK$21.9 million (representing approximately 51.1% of our current assets) and available-for-sale financial assets of approximately HK$8.3 million (representing approximately 19.3% of our current assets). Our current liabilities mainly composed of accruals, deposits received and other payables of approximately HK$15.4 million (representing approximately 74.1% of our current liabilities).

As at 31 March 2016, we had net current assets of approximately HK$28.4 million. Our current assets mainly composed of cash and bank balances of approximately HK$26.3 million (representing approximately 63.1% of our current assets) and trade receivables of approximately HK$5.3 million (representing approximately 12.6% of our current assets). Our current liabilities mainly composed of accruals, deposits received and other payables of approximately HK$10.8 million (representing approximately 81.3% of our current liabilities).

As at 30 June 2016, we had net current assets of approximately HK$27.3 million. Our current assets mainly composed of cash and bank balances of approximately HK$28.3 million (representing approximately 65.9% of our current assets) and trade receivables of approximately HK$4.8 million (representing approximately 11.1% of our current assets). Our current liabilities mainly composed of accruals, deposits received and other payables of approximately HK$13.2 million (representing approximately 84.1% of our current liabilities).

As at 31 October 2016, we had net current assets of approximately HK$15.5 million. Our current assets mainly composed of cash and bank balances of approximately HK$27.6 million (representing approximately 66.5% of our current assets) and trade receivables of approximately HK$4.3 million (representing approximately 10.2% of our current assets). Our current liabilities mainly composed of accruals, deposits received and other payables of approximately HK$22.9 million (representing approximately 88.1% of our current liabilities). The significant increase in accruals, deposits received and other payables as at 31 October 2016 as compared to 30 June 2016 was due to the increase in dividend payable which was included in other payables of HK$10 million.

For discussion on material fluctuations of our key balance sheet items during the Track Record Period, please refer to pages 184 to 190 of this prospectus.

DISCUSSION OF KEY BALANCE SHEET ITEMS

	As at 31 March		As at 30 June	As at 31 October
	2015	2016	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)
Current assets				
Available-for-sale financial assets	8,301	3,803	2,228	2,236
Trade receivables	4,708	5,306	4,798	4,253
Deposits, prepayments and other receivables	3,381	4,044	4,671	4,686
Amounts due from directors	1,877	1,786	2,485	2,244
Pledged bank deposits	2,696	468	468	468
Cash and bank balances	21,946	26,305	28,314	27,616
Current liabilities				
Trade payables	1,288	1,127	663	450
Accruals, deposits received and other payables	15,410	10,846	13,160	22,915
Bank borrowings	2,454	1,017	804	516
Amount due to a director	184	—	—	—
Tax payable	1,464	352	1,028	2,122
Non-current assets				
Property, plant and equipment	409	296	254	214

Available-for-sale financial assets

The following table sets forth our available-for-sale financial assets by type of securities as at the relevant balance sheet dates indicated:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Listed debt securities	5,984	1,628	—
Unlisted debt or equity portfolio funds	2,317	2,175	2,228
Total	8,301	3,803	2,228

Our available-for-sale financial assets represented our investments in listed debt securities and unlisted debt or equity portfolio funds, comprising certain high yield bonds and funds that were rated as non-investment grade, i.e. medium to high risk. The decrease in available-for-sale financial assets balance from approximately HK$8.3 million as at 31 March 2015 to HK$3.8 million as at 31 March 2016 and to HK$2.2 million as at 30 June 2016 was mainly due to the disposal of listed debt securities during FY2016 and 1Q2017. Please see the section "Risk Factors — Our available-for-sale investments may materially and adversely affect our financial condition and results of operations." for the risk in respect of our available-for-sale investment. We have no intention to continue to invest in the high yield bonds or funds that are rated as non-investment grade after the Listing. Please see the section "Business — Internal Control and Risk Management — Investment — Investment Policy" for our investment policy adopted to ensure that our investment transactions to be entered into by us will be properly reviewed and authorised.

Trade receivables

The following table sets forth the aging analysis of our trade receivables as at the relevant balance sheet dates indicated:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
0 to 90 days	2,629	2,884	1,779
91 to 180 days	901	2,129	2,577
181 to 365 days	169	285	435
Over 365 days	1,009	8	7
Total	4,708	5,306	4,798

We generally require our customers to make payments upon installation of their advertisements. We do, however, have a policy of granting some of our existing long-term customers, in particular intermediaries, with credit terms of generally 30 days to 90 days after installation of their advertisements. As at FY2015 and FY2016, our Group had trade receivables of approximately HK$3.4 million and HK$4.8 million that were past due but not impaired as there was no recent history of default in respect of these trade debtors. Trade receivables that were neither past due nor impaired related to a large number of independent customers that had a good track record of credit with our Group.

Up to the Latest Practicable Date, approximately HK$3.6 million (or 75.7%) of our trade receivables as at 30 June 2016 of approximately HK$4.8 million had been settled.

The following table sets forth our average trade receivables turnover days for the year/period indicated:

	Year ended 31 March		Three months ended 30 June
	2015	**2016**	**2016**
Average trade receivables turnover days[(Note)]	32.2	32.7	31.1

Note: Average trade receivables turnover days is calculated as the average of the beginning and ending trade receivables for the year/period, divided by our revenue for that year/period, multiplied by 365 days/91 days.

Our average trade receivables turnover days remained stable at approximately 32.2 days, 32.7 days and 31.1 days for FY2015, FY2016 and 1Q2017, respectively.

Deposits, prepayments and other receivables

The following table sets forth the breakdown of our deposits, prepayments and other receivables balance as at the relevant balance sheet dates indicated:

	As at 31 March		As at 30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Other receivables	3,299	3,938	4,237
Deposits	63	63	66
Prepayments	19	43	368
Total	3,381	4,044	4,671

Our prepayments, deposits and other receivables balance mainly comprised other receivables, which accounted for approximately 97.6%, 97.4% and 90.7% of our deposits, prepayments and other receivables balance as at 31 March 2015, 31 March 2016 and 30 June 2016, respectively. Our other receivables balance mainly represented advance payments to (i) minibus operators who we have exclusive arrangements with as we normally pay them one quarter in advance; and (ii) minibus operators who we have non-exclusive arrangements with in order to secure their advertising spaces for our customers in advance. Deposits and prepayments balances were insignificant as at 31 March 2015 and 2016.

Amounts due from directors

We had amounts due from directors of approximately HK$1.9 million, HK$1.8 million and HK$2.5 million as at 31 March 2015, 31 March 2016 and 30 June 2016, respectively. Almost all of the amounts due from directors were attributable to loans to Ms. Chau, and represented loans that were unsecured, interest-free and repayable on demand.

All amounts due from directors has been settled on 16 December 2016.

Pledged bank deposit

The table below sets out the balance of our pledged bank deposit as at the relevant balance sheet dates indicated:

	As at 31 March		**As at 30 June**
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Pledged bank deposit	2,696	468	468

Our balance of pledged bank deposits as at 31 March 2015, 31 March 2016 and 30 June 2016 represented restricted bank balances pledged to banks as security mainly for letters of guarantee issued to certain third party suppliers on behalf of our Group.

Trade payables

Our trade payables amounted to HK$1.3 million, HK$1.1 million and HK$0.7 million as at 31 March 2015, 31 March 2016 and 30 June 2016, respectively. The following table sets forth an aging analysis of our trade payables as at the relevant balance sheet dates indicated:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
0 to 90 days	800	804	541
91 to 180 days	270	181	75
181 to 365 days	18	105	9
Over 365 days	200	37	38
Total	1,288	1,127	663

As stipulated in the respective licensing agreements, payments to our major and exclusive advertising space licensors are normally settled in advance on a quarterly basis (for minibus and taxi operators, and clinics) and on a monthly basis (for hospitals and health and beauty retail stores). For non-exclusive advertising spaces, payments to our licensors are normally made in advance.

Up to the Latest Practicable Date, approximately HK$0.6 million (or 85.7%) of our trade payables as at 30 June 2016 of approximately HK$0.7 million had been settled.

The following table sets forth our average trade payables turnover days for the year/period indicated:

	Year ended 31 March		Three months ended 30 June
	2015	2016	2016
Average trade payables turnover days*(Note)*	37.5	15.1	10.2

Note: Average trade payables turnover days is calculated as the average of the beginning and ending trade payables for the year/period, divided by our cost of sales for that year/period, multiplied by 365 days/91 days.

Our average trade payable turnover days decreased significantly from approximately 37.5 days for FY2015 to 15.1 days for FY2016. Such decrease was mainly due to a fee of approximately HK$2.0 million due to one of our top suppliers as at 31 March 2014 for the introduction of certain minibus operators (hence led to a relatively high average trade payables turnover days for FY2015), which we subsequently settled during the latter part of FY2015. The average trade payable turnover days for 1Q2017 remained fairly stable compared to that for FY2016.

Accruals, deposits and other payables

The following table sets forth the breakdown of our accruals, deposits and other payables balance at the relevant balance sheet dates indicated:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Accrued expenses	572	668	2,320
Advance received from customers	8,809	9,907	10,504
Dividend payable	5,840	—	—
Other payables	189	271	336
Total	15,410	10,846	13,160

Our accruals, deposits and other payables balance mainly comprised advance received from customers and dividend payable to shareholders, which accounted for approximately 57.2% and 37.9%, 91.1% and nil, and 79.8% and nil of our accruals, deposits and other payables balance as at 31 March 2015, 31 March 2016 and 30 June 2016, respectively. Advance received from customers represented prepaid advertising service income received from our customers as we normally require our customers to pay upon installation of their advertisements.

The decrease in accruals, deposits and other payables as at 31 March 2016 as compared to 31 March 2015 was mainly due to the approximately HK$5.8 million decrease in dividend payable balance as the outstanding dividend was paid during 2016, and this was partially offset by the approximately HK$1.1 million increase in advance payments received from our customers. The increase in accruals, deposits and other payables as at 30 June 2016 as compared to 30 June 2016 was mainly due to the increase in accrued expenses of approximately HK$1.7 million relating to mainly accrued listing expenses payable to professional parties, and the increase in advance received from customers of approximately HK$0.6 million.

Bank borrowings

The following table sets forth the aggregate amount of our borrowings as at the relevant balance sheet dates indicated:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Secured and interest bearing, subject to repayment on demand clause			
Bank borrowings due for repayment within one year	1,437	868	804
Bank borrowings due for repayment after one year	1,017	149	—
Total	2,454	1,017	804

As of 31 March 2015, 31 March 2016 and 30 June 2016, our total bank borrowings amounted to approximately HK$2.5 million, HK$1.0 million and HK$0.8 million, respectively. Our bank borrowings during the Track Record Period was primarily used to fund our working capital. Our bank borrowings consisted of secured facilities, which were secured by personal guarantee by Ms. Chau, corporate guarantee by MSL, and loan guarantees issued by the Hong Kong government. Our bank borrowings were subject to the fulfillment of undertakings that are commonly found in loan arrangements with financial institutions, and were also repayable on demand and interest bearing at floating interest rates. The decrease in bank borrowings from 31 March 2015 to 30 June 2016 was due to the repayment of loans during the year/period. As at 15 December 2016, the entire amount of the bank borrowings had been repaid.

Operating lease commitments

Our operating lease payments mainly represented license fee payable by our Group for certain advertising spaces under non-cancellable operating leases. Leases are negotiated for terms ranging from one to four years.

As at 31 March 2015, 31 March 2016 and 30 June 2016, our Group's total future minimum license payments under non-cancellable operating leases for certain advertising spaces are payable as follows:

	As at 31 March		As at 30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Advertising spaces:			
Within one year	8,857	13,451	14,774
In the second to fifth year, inclusive	18,864	12,653	16,378
	27,721	26,104	31,152

Capital commitments

Our Group had no significant capital expenditures contracted but not yet incurred and provided for as at the relevant balance sheet dates during the Track Record Period.

As at the Latest Practicable Date, our Group had no significant capital commitments.

Indebtedness Statement

As at 31 October 2016, being the latest practicable date for the purpose of this indebtedness statement in this prospectus, our Group had (i) outstanding indebtedness of bank borrowings amounting to approximately HK$0.5 million; (ii) issued guarantee to suppliers of approximately HK$1.1 million; and (iii) unutilised banking facilities of approximately HK$0.6 million.

Save as disclosed above and otherwise disclosed in this prospectus, as at 31 October 2016, being the latest practicable date for us to ascertain such information prior to our printing of this prospectus, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under, acceptance credits, debentures, mortgages, pledges, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

Our Directors confirm that (i) there has not been any material change in our indebtedness since 31 October 2016 up to the Latest Practicable Date; (ii) our Group has not received any notice from the bank indicating that it might withdraw the bank facility; and (iii) there was no material default in payment of our trade and non-trade payables, nor did we breach any relevant finance covenants, during the Track Record Period.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, we did not have any material contingent liabilities or guarantees. We are not currently involved in any material legal proceedings, nor are we aware of any pending or potential material legal proceedings involving us.

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios for the years/period or as at the dates indicated.

	As at/Year ended 31 March		As at/ Three months ended 30 June
	2015	2016	2016
Return on equity[(1)]	51.8%	49.5%	–14.2%
Return on total assets[(2)]	26.9%	33.8%	–9.0%
Current ratio[(3)]	2.1	3.1	2.7
Net debt to equity ratio[(4)]	Net cash	Net cash	Net cash
Gearing ratio[(5)]	10.9%	3.5%	2.9%

Notes:

1. Profit for the year/period divided by total equity. Return on equity for 1Q2017 is calculated using the profit for 1Q2017 adjusted on an annualised basis.

2. Profit for the year/period divided by total assets. Return on total assets for 1Q2017 is calculated using the profit for 1Q2017 adjusted on an annualised basis.

3. Total current assets divided by total current liabilities.

4. Net debt divided by total equity. Net debt is defined as bank and other debts incurred not in the ordinary course of business minus cash and bank balances (including pledged bank deposits).

5. Total debt divided by total equity. Total debt is defined as bank borrowings and other debts incurred not in the ordinary course of business.

Return on equity

Our return on equity remained stable at approximately 51.8% for FY2015 and 49.5% for FY2016 as the percentage increases in our Net Profit and total equity from FY2015 to FY2016 were similar. Our return on equity was approximately -14.2% for 1Q2017 due to listing expenses of HK$4.8 million incurred for the period. Excluding listing expenses, which is non-recurring in nature, our return on equity would be approximately 55.5% for 1Q2017 on an annualised basis.

Return on total assets

Our return on total assets increased from approximately 26.9% for FY2015 to approximately 33.8% for FY2016. Such increase was primarily attributable to the increase in our Net Profit from FY2015 to FY2016 while our total assets as at 31 March 2016 decreased by approximately 3.0% as compared to that as at 31 March 2015. Our return on total assets was approximately -9.0% for 1Q2017 due to listing expenses of HK$4.8 million incurred for the period. Excluding listing expenses, which is non-recurring in nature, our return on total assets would be approximately 35.4% for 1Q2017 on an annualised basis.

Current ratio

Our current ratio increased from approximately 2.1 as at 31 March 2015 to approximately 3.1 as at 31 March 2016. Such increase was primarily attributable to the smaller percentage decrease of our current assets of approximately 2.8% as compared to the percentage decrease of our current liabilities of approximately 35.9%. The larger percentage decrease in current liabilities was primarily due to a smaller accruals, deposits received and other payables balance, and decreased bank borrowings.

Our current ratio decreased from approximately 3.1 as at 31 March 2016 to approximately 2.7 as at 30 June 2016. Such decrease was primarily attributable to the larger percentage increase of our current liabilities of approximately 17.3% as compared to the percentage increase of our current assets of approximately 3.0%. The larger percentage increase in current liabilities was primarily due to a larger accruals, deposits received and other payables balance.

Net debt to equity ratio

As our Group's cash and bank balances exceeded our bank borrowings, our Group was at net cash position as at 31 March 2015, 31 March 2016 and 30 June 2016.

Gearing ratio

Our gearing ratio decreased from approximately 10.9% for FY2015 to approximately 3.5% for FY2016. Such decrease was primarily attributable to the decrease in bank borrowings from approximately HK$2.5 million as at 31 March 2015 to approximately HK$1.0 million as at 31 March 2016. Our gearing ratio decreased further to approximately 2.9% for 1Q2017 due to a further decrease in bank borrowings to approximately HK$0.8 million as at 30 June 2016.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available to our Group presently including our operating cash flows, the net proceeds available to us from the Placing and the available banking facilities, our Group has sufficient working capital for our present requirements and for at least the next 12 months from the date of this prospectus.

RELATED PARTY TRANSACTIONS

With respect to the rental paid by us to Golden Billion for the use of our administrative head office during the Track Record Period, the details of which are set out in Note 24 to the Accountant's Report as contained in Appendix I in this prospectus, our independent property valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, has confirmed that the previous tenancy agreement entered into between us and Golden Billion during the Track Record Period reflected rental terms that were below the then prevailing market rental rates. As the difference from market rental rates during the Track Record Period, ranging from approximately HK$131,635 to HK$189,235, are insignificant, our Directors consider such differences to be immaterial and have not distorted our Group's historical financial information during the Track Record Period. We and Golden Billion has entered into a new tenancy agreement to govern the terms of such rental from 1 August 2016 to 31 July 2019, and this new tenancy agreement has been entered into on normal commercial terms with reference to prevailing market rental rates.

For details of other related party transactions during the Track Record Period, please refer to Note 24 to the Accountant's Report as contained in Appendix I to this prospectus.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the Latest Practicable Date, we did not enter into any material off-balance sheet transaction except as disclosed in the paragraph headed "Operating lease commitments" in this section.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

In the normal course of business, we are exposed to various types of market risks including the followings:

Credit risk

Our Group's exposure to credit risk mainly arises from granting credits to customers in the ordinary course of its operations and is limited to the carrying amounts of financial assets recognised at the end of each reporting period.

Our Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk. Our Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. Our Group's bank balances are deposited with major banks in Hong Kong. Our Group has no other significant exposure to credit risk.

Appropriate credit policies have been followed by our Group throughout the Track Record Period and are considered to be effective.

Liquidity risk

Our Group's policy is to regularly monitor current and expected liquidity requirements in the short and long terms. The liquidity of our Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations. Our Group relies on internally generated funds as a significant source of liquidity. The maturity analysis based on contractual undiscounted payments of our Group's financial liabilities is set out in Note 28 of the Accountant's Report in Appendix I of this prospectus.

Interest rate risk

Our Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose our Group to cash flow interest rate risk and fair value interest risk, respectively. The following table sets out the interest rate profile of our Group's borrowings at the end of the reporting period:

	As at 31 March 2015		**As at 31 March 2016**		**As at 30 June 2016**	
	Interest rate %	*HK$'000*	*Interest rate %*	*HK$'000*	*Interest rate %*	*HK$'000*
Floating rate borrowings:						
Bank borrowings	PRIME rate/ PRIME rate + 0.5%	2,454	PRIME rate	1,017	PRIME rate	804

As at 31 March 2015, 31 March 2016 and 30 June 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase our Group's profit for the year and retained earnings by approximately HK$20,000, HK$8,000 and HK$7,000, respectively. The effect of changes in interest rates is therefore not significant to the financial information of our Group. Except as stated above, our Group has no other significant interest-bearing assets and liabilities, and our Group's income and operating cash flows are substantially independent of changes in market interest rates.

Price risk

Our Group is exposed to price changes arising from financial instruments classified as available-for-sale financial assets. All of our Group's unquoted investments are held for short to medium term.

The sensitivity analysis on price risk includes our Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's price. If the prices of the respective financial instruments had been 1% higher/lower, our Group's Net Profit would increase/decrease by approximately HK$69,000, HK$32,000 and HK$19,000 for FY2015, FY2016 and 1Q2017, respectively.

DIVIDENDS

MSL, a subsidiary of our Company, declared and paid dividends of HK$8.0 million and HK$8.0 million for FY2015 and FY2016, respectively. It has declared dividends of HK$10.0 million on 19 August 2016, which was paid on 16 December 2016. Save for the above, our Company has not declared or paid dividend since 19 August 2016 up to the Latest Practicable Date.

Our Group currently does not have a fixed dividend policy. The declaration and payment of future dividends will be subject to our Directors' discretion and will depend on our financial condition, results of operation, cash availability, statutory and regulatory restrictions in relation thereto, future prospects, and any other factors that our Directors may consider relevant.

Dividends may be paid only out of our Group's distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our Group's operations.

DISTRIBUTABLE RESERVES

As at 30 June 2016, our Company had no distributable reserves available for distribution to our Shareholders.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this prospectus, there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2016, being the date on which the latest audited combined financial statements of our Group were made up, and there is no event since 30 June 2016 which would materially affect the results shown in the Accountant's Report set out in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that as at the Latest Practicable Date, there are no circumstances which would have given rise to a disclosure requirement under Rules 17.15 to 17.21 of the Listing Rules.

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following statement shows the unaudited pro forma adjusted net tangible assets attributable to owners of our Company as at 30 June 2016 based on the audited combined net tangible assets attributable to owners of our Company as at 30 June 2016 as extracted from the Accountant's Report of our Group as set out in Appendix I to this prospectus and adjusted as follows:

	Audited combined net tangible assets attributable to owners of our Company as at 30 June 2016 *(Note 1)*	Estimated net proceeds from the Placing *(Note 2)*	Unaudited pro forma adjusted net tangible assets attributable to owners of our Company	Unaudited pro forma adjusted net tangible assets per Share *(Note 3)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
Based on the Placing Price of HK$0.23 per Share	27,563	27,788	55,351	0.08
Based on the Placing Price of HK$0.27 per Share	27,563	34,664	62,227	0.09

Notes:

1. The audited combined net tangible assets of our Group attributable to owners of our Company as at 30 June 2016 are based on the audited combined net assets of our Group attributable to owners of our Company as at 30 June 2016 of approximately HK27.6 million as extracted from the Accountant's Report set out in Appendix I to this prospectus.

2. The estimated net proceeds from the Placing are based on 180,000,000 Placing Shares and the Placing Price of lower limit and upper limit of HK$0.23 and HK$0.27 per Placing Share, respectively, after deduction of the underwriting fees and related expenses payable and borne by our Company which have not been reflected in the audited combined net tangible assets of our Group as at 30 June 2016. No account has been taken of any Share which may be issued upon exercise of any option that may be granted under the Share Option Scheme.

3. The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 720,000,000 Shares in issue immediately following the completion of the Placing and the Capitalisation Issue, without taking into account of any Share which may be issued pursuant to the exercise of any option that may be granted under the Share Option Scheme or any Share which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchases of Shares referred in Appendix IV to this prospectus.

4. No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to 30 June 2016.

FUTURE PLANS AND BUSINESS OBJECTIVES

Our business objective is to develop our position as a leading out-of-home advertising service provider, with a focus on minibuses and taxis for our transportation media platform; and our healthcare-related platforms. We plan to continue to expand our market share in these areas and further strengthen our market position in Hong Kong by adopting the following business strategies:

(a) Expand our coverage in the minibus advertising media network in Hong Kong Island, Kowloon and the New Territories, with a focus on further increasing licensing advertising spaces from operators in Kowloon and the New Territories where there is still substantial room for growth in our market share;

(b) Expand our transportation media advertising platforms for other public vehicles in Hong Kong, such as additional number of taxis, as well as light good trucks and coaches;

(c) Expand our coverage in the healthcare-related advertising media platform by securing long-term contracts with private clinics in Hong Kong for providing panel-based advertising media on their premises; and

(d) Enhancing our inventory management system to further improve our internal management reporting system and management of advertising space; as well as developing an online reservation system for real time minibus advertising space reservation with registered customers.

Please refer to the section headed "Business — Our Strategies" for details of our future plans and business objectives.

REASONS FOR THE PLACING AND USE OF PROCEEDS

We consider that the net proceeds from the Placing will enable us to implement our business strategies, by providing access to the capital market for raising funds both at the time of the Listing and in the future. We believe that while we maintain a healthy cash level to support our existing operations, the net proceeds from the Placing are necessary for the implementation of our future plans which requires considerable additional financial resources. As set out in "Business — Our Strategies" and "Future Plans and Use of Proceeds — Implementation Plans" below, it is our strategy to diversify and increase the coverage of our advertising network. It is our aim to further penetrate into the market by obtaining exclusive licences to advertising spaces on minibuses and taxis, as well as health check service providers. We also intend to obtain non-exclusive licences to advertising spaces on trucks and vans. Our Directors believe that, and in line with their industry understanding, it is usual for advertising space licensors to require their licensees to provide a minimum or guaranteed licence fee in return for the granting of an exclusive right to their licensees to use the advertising spaces in subject. Our Directors see that exclusivity right to sufficient amount of advertising spaces as a vital factor to the continuing growth of our Group and has also in the past, distinguish our Group from other competitors in the market. Given our plan to further expand the minibuses, taxis and health check service providers market under an exclusive licensee arrangement, we require a relatively high amount of upfront payment to be made to our suppliers, without which, we may not be able to secure the exclusivity right under these arrangements.

Furthermore, a public listing status will also enhance our corporate profile and assist in the promotion and reinforcement of our corporate and brand recognition and image and our market reputation, which will further strengthen our market position. We believe that a public listing status could also attract potential customers, enhance our credibility with our existing and potential business partners and assist us in securing new exclusive advertising spaces from advertising space owners with licensing agreements which are generally on a long-term basis for over one year with provisions for guaranteed licensing fees, as the potential business partners are more willing to establish business relationships with listed companies.

USE OF PROCEEDS

The estimated net proceeds of the Placing we will receive, assuming a Placing Price is fixed at low-end, mid-point and high-end of the Placing Price range stated in this prospectus after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Placing, are set out in the table below.

Estimated net proceeds of the Placing (HK$ million)		
Placing Price of HK$0.23 per Placing Share (low-end of Placing Price)	**Placing Price of HK$0.25 per Placing Share (mid-point of Placing Price)**	**Placing Price of HK$0.27 per Placing Share (high-end of Placing Price)**
23.0	26.4	29.8

We intend to use the net proceeds of the Placing (assuming the Placing Price of HK$0.25 per Placing Share, being the mid-point of the Placing Price range) for the following purposes:

	From the Listing Date to 31 March 2017	For the six months ending 30 September 2017	For the six months ending 31 March 2018	For the six months ending 30 September 2018	Total	Approximate percentage of net proceeds
			HK$ million			(%)
Expand our coverage in the minibus media advertising network	4.6	4.1	5.9	3.8	18.4	69.7
Expand our coverage in other transportation advertising platform	1.5	1.9	1.3	0.1	4.8	18.2
Expand our coverage in the healthcare-related advertising platform	—	—	1.6	1.0	2.6	9.8
Enhance our information management system	—	—	0.1	0.5	0.6	2.3
Total:	6.1	6.0	8.9	5.4	26.4	100.0

We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

IMPLEMENTATION PLANS

The implementation plans for each of the six-month periods until 30 September 2018 for carrying out our business strategies are set out below. The following implementation plans are formulated on the bases and assumptions set out in the sub-paragraph headed "Bases and key assumptions" below in this paragraph and are subject to uncertainties, variables and unexpected factors. There is no assurance that the implementation plans will materialise in accordance with the timetable below or that our business objectives will be accomplished at all.

(a) For the period from the Latest Practicable Date to 31 March 2017

Business Objective	Implementation Plan
Expand our coverage in the minibus advertising network	• We have entered into a binding agreement with a minibus operator to license advertising spaces on around 139 green minibuses on exclusive basis commencing on 1 February 2017 • To expand into in-vehicle LCD panel advertising services covering approximately 600 minibuses • To obtain advertising spaces on at least 25 red minibus with various routes, in respect of which, we have entered into a binding agreement with a minibus advertising space owner for the license of advertising spaces on 20 red minibuses. Please see the section headed "Business — Our Strategies — Increase the Coverage of our Minibus Advertising Network and Media" for further information
Expand our transportation advertising platform with other public vehicles in Hong Kong	• To review and evaluate the availability of more taxis with exclusive advertising spaces on Hong Kong Island and Kowloon. As at the Latest Practicable Date, we have entered into a binding agreement to license advertising spaces on around 26 additional taxis • To roll out a new taxi media advertising platform with the installation of "Taxiboard", a "duck-tail" advertising board at the back of taxis covering about 1,000 taxis • To review and evaluate the availability of light goods trucks in Hong Kong with the two major truck-calling mobile application operators with owners of these trucks, and to enter into memorandum of understanding or agreement with at least one of them to provide advertisement on the bodies of these vehicles • To explore the securing of advertising spaces from tour bus (51 to 61 seaters) or coach bus operators to establish a tour bus media platform to use their bus body for advertising

Business Objective	Implementation Plan
Expand our coverage in the healthcare-related advertising platform	• To explore and evaluate opportunities to obtain further advertising spaces in the private healthcare sector with private healthcare institutions which operate chains of medical clinics • To roll out LCD advertising panel platform in at least one additional private clinic group or private hospital in Hong Kong
Enhancing our information management system	• To review and evaluate our existing information management system for upgrading

For the six months from 1 April 2017 to 30 September 2017

Business Objective	Implementation Plan
Expand our coverage in the minibus advertising platform	• To obtain advertising spaces on about 50 additional green minibuses from minibus operators with existing business relationships with us • To continue the roll-out of in-vehicle LCD panel advertising covering about 600 minibuses • To obtain advertising spaces on at least 75 additional red minibus with various routes
Expand our transportation advertising platforms with other public vehicles in Hong Kong	• To obtain contracts with taxi companies for exclusive advertising spaces on about 64 taxis for body advertising to increase total vehicle count to about 100 taxis • To continue the roll out of the "Taxiboard" advertising platform covering about 1,000 taxis • To continue the roll-out of advertising services on the body of light goods trucks in cooperation with major mobile application operator(s) managing these trucks • To enter into a memorandum of understanding with tour bus or coach bus operator(s) to establish a tour bus advertising platform for advertising on the body of these vehicles

Business Objective	Implementation Plan
Expand our coverage in the healthcare-related advertising platform	• To commence preparation for the tender documents for the renewal of the license agreement with the for our advertising spaces in public hospitals • To continue the roll-out of LCD advertising panel platform in at least one additional private clinic group • To negotiate with private clinic groups to increase number of private clinics with our LCD panel advertising system to about 200 panels in these clinics
Enhancing our information management system	• To engage a service provider to upgrade our information management system for the purpose of enhancing our internal reporting efficiency, and advertising space inventory management

For the six months from 1 October 2017 to 31 March 2018

Business Objective	Implementation Plan
Expand our coverage in the minibus advertising platform	• To obtain advertising spaces on about 160 additional green minibuses from minibus operators that have existing business relationships with us • To continue the roll-out of in-vehicle LCD panel advertising services covering about 600 minibuses • To obtain advertising spaces on the bodies of about 100 additional red minibuses with routes on Hong Kong Island and Kowloon
Expand our transportation advertising platforms with other public vehicles in Hong Kong	• To obtain advertising spaces on about 100 additional taxis on Hong Kong Island and Kowloon • To continue the roll-out of the “Taxiboard” advertising platform covering about 1,000 taxis • To continue the roll-out of advertising spaces on the body of light goods trucks in cooperation with major mobile application operator managing these trucks • To obtain advertising spaces on the bodies of about 50 tour buses from a major tour bus or coach operator in Hong Kong

Business Objective	Implementation Plan
Expand our coverage in the healthcare-related advertising platform	• To renew the license agreement for advertising spaces in public hospitals • To obtain advertising spaces from private clinic groups to increase the number of private clinics with our LCD panel advertising system to about 200 panels in these clinics
Enhance our information management system	• To conduct trial run and complete the upgrade of our information management system for enhancing our internal reporting efficiency and advertising space inventory management

For the six months from 1 April 2018 to 30 September 2018

Business Objective	Implementation Plan
Expand our coverage in the minibus media advertising platform	• To obtain advertising spaces on about 120 additional green minibuses from minibus operators with existing business relationships with us • To continue the roll-out of in-vehicle LCD panel advertising covering about 600 minibuses
Expand our coverage in the healthcare-related advertising media platform	• To install LCD advertising panels in private clinics with up to about 120 additional advertising panels in these clinics increasing the total number to over 300 panels in these clinics
Enhancing our information management system with online reservation capability	• To add online reservation capability of the information management system and open the platform to our registered online customers so that special offers of minibus and taxi advertising space can be reserved online through our improved information management system

To the extent that the net proceeds of the Placing are not immediately applied for the above purposes, it is our intention that such net proceeds will be deposited into interest bearing bank accounts with licensed financial institutions in Hong Kong.

BASES AND KEY ASSUMPTIONS

The business objectives and implementation plans set out by our Directors are based on the following bases and key assumptions:

- we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;
- there will be no material changes in existing laws and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which we operates;
- there will be no change in the funding requirement for each of the implementation plans described under the paragraph headed "Implementation Plans" in this section from the amount as estimated by our Directors;
- there will be no material changes in the bases or rates of taxation applicable to our activities;
- there will be no epidemics or disasters, natural, political or otherwise, which would materially disrupt our business or operations;
- we will not be materially affected by the risk factors as set out under the section headed "Risk Factors";
- we will be able to retain key staff in the management and the main operational departments; and
- we will be able to continue our operation in substantially the same manner as we had been operating during the Track Record Period and we will also be able to carry out our development plans without disruptions adversely affecting our operations or business objectives in any way.

PLACING SHARES ARE FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Placing, which is sponsored by the Sole Sponsor and managed by the Joint Bookrunners and Joint Lead Managers and to be fully underwritten by the Underwriters (subject to the terms and conditions of the Underwriting Agreement). Further information about the Underwriters and the underwriting arrangements is contained in the section headed "Underwriting" in this prospectus.

UNDERWRITERS

BOSC International Company Limited

Aristo Securities Limited

Halcyon Securities Limited

Magusta Securities Limited

Zhaobangji International Capital Limited

Gransing Securities Company Limited

UNDERWRITING ARRANGEMENTS

Placing

Pursuant to the Underwriting Agreement, our Company is offering initially 180,000,000 Placing Shares for subscription by way of Placing at the Placing Price on and subject to the terms and conditions of this prospectus.

Subject to the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued, and to certain other conditions described in the Underwriting Agreement (including the Joint Bookrunners, on behalf of the Underwriters, and us agreeing to the Placing Price), the Underwriters have agreed severally to subscribe, or procure subscribers to subscribe, for the Placing Shares which are being offered but are not taken up under the Placing on the terms and subject to the conditions of this prospectus.

Grounds for termination

The obligations of the Underwriters to subscribe or procure subscriptions for the Placing Shares under the Underwriting Agreement are subject to termination if, at any time prior to 8:00 a.m. on the Listing Date:

(a) there has come to the notice of the Joint Bookrunners:

(i) that any statement contained in this prospectus and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Placing (including any supplement or amendment thereto) (together the "**Relevant Documents**") was, when it was issued, or has become, untrue, incorrect, misleading or deceptive in any material respect or that any forecast, expression of opinion, intention or expectation expressed in any of the Relevant Documents is not, in the sole and absolute opinion of the Joint Bookrunners (for themselves and on behalf of the Underwriters), fair and honest and based on reasonable assumptions, when taken as a whole; or

(ii) that any matter has arisen or has been discovered which would or might, had it arisen or been discovered immediately before the respective dates of the publication of the Relevant Documents, constitute an omission therefrom; or

(iii) any breach of any of the obligations imposed or to be imposed upon any party to the Underwriting Agreement (other than on the part of any of the Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of our Company, the Controlling Shareholders, Mr. da-Silva, BVI-da Silva and the executive Directors (the "**Warrantors**") pursuant to the indemnities given by the Warrantors under the Underwriting Agreement; or

(v) any change or development involving a prospective adverse change in the assets, liabilities, general affairs, management, business prospects, shareholders' equity, profits, losses, results of operations, position or conditions (financial, trading or otherwise), or performance of any of our Company or its subsidiaries ("**Group Company**"); or

(vi) any breach of, or any event or circumstance rendering untrue, incorrect or misleading in any respect, any of the representations, warranties, agreements and undertakings to be given by the Warrantors respectively in terms set out in the Underwriting Agreement; or

(vii) the approval by the Listing Division of the Stock Exchange of the listing of, and permission to deal in, the Shares is refused or not granted, or is qualified (other than subject to customary conditions), on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(viii) our Company withdraws any of the Relevant Documents or the Placing; or

(ix) any person (other than the Underwriters) has withdrawn or sought to withdraw its consent to being named in this prospectus or to the issue of this prospectus; or

(x) that a petition or an order is presented for the winding-up or liquidation of any Group Company or any Group Company makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any Group Company or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any Group Company or anything analogous thereto occurs in respect of any Group Company; or

(xi) an authority or a political body or organisation in any relevant jurisdiction has commenced any investigation or other action, or announced an intention to investigate or take other action, against any of the Directors and senior management members of our Group as set out in the "Directors, Senior Management and Employees" section of this prospectus; or

(xii) a portion of the orders in the bookbuilding process, which is considered by the Joint Bookrunners (for themselves and on behalf of the Underwriters) in its absolute opinion to be material, at the time the Underwriting Agreement is entered into, or the investment commitments by any cornerstone investors after signing of agreements with such cornerstone investors, have been withdrawn, terminated or cancelled, and Joint Bookrunners (for themselves and on behalf of the Underwriters), in their sole and absolute discretion, concludes that it is therefore inadvisable or inexpedient or impracticable to proceed with the Placing; or

(xiii) any loss or damage has been sustained by any Group Company (howsoever caused and whether or not the subject of any insurance or claim against any person) which is considered by the Joint Bookrunners (for themselves and on behalf of the Underwriters) in its sole absolute opinion to be material; or

(b) there shall develop, occur, exist or come into effect:

(i) any local, national, regional, international event or circumstance, or series of events or circumstances, beyond the reasonable control of the Underwriters (including, without limitation, any acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a local, regional, national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases, pandemics or epidemics (including, without limitation, Severe Acute Respiratory Syndrome, avian influenza A (H5N1), Swine Flu (H1N1), Middle East Respiratory Syndrome or such related or mutated forms) or interruption or delay in transportation); or

(ii) any change or development involving a prospective change, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change, in any local, regional, national, international, financial, economic, political, military, industrial, fiscal, legal regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets); or

(iii) any moratorium, suspension or restriction on trading in securities generally (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on the Stock Exchange, the New York Stock Exchange, the London Stock Exchange, the American Stock Exchange, the Nasdaq Global Market, the Nasdaq National Market, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the Tokyo Stock Exchange; or

(iv) any new Law, or any change or development involving a prospective change in existing Laws, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change in the interpretation or application of existing Laws by any court or other competent authority, in each case, in or affecting any of Hong Kong, the PRC, the United States, the Cayman Islands, the BVI, the European Union (or any member thereof) or any other jurisdictions relevant to any Group Company or the Placing (the "**Specific Jurisdictions**"); or

(v) any general moratorium on commercial banking activities, or any disruption in commercial banking activities, foreign exchange trading or securities settlement or clearance services or procedures or matters, in or affecting any of the Specific Jurisdictions; or

(vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by or for any of the Specific Jurisdictions; or

(vii) any change or development involving a prospective change in or affecting taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment Laws (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or any material fluctuation in the exchange rate of the Hong Kong dollar or the Renminbi against any foreign currency) in any of the Specific Jurisdictions or affecting an investment in the Shares; or

(viii) any change or development involving a prospective change, or a materialisation of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or

(ix) any litigation or claim of any third party being threatened or instigated against any Group Company or any of the Warrantors; or

(x) any of the Directors and senior management members of our Company as set out in the "Directors and Senior Management" section of this prospectus being charged with an indictable offence or prohibited by operation of Law or otherwise disqualified from taking part in the management of a company; or

(xi) the chairlady and chief executive officer of our Company vacating her office; or

(xii) the commencement by any governmental, regulatory or political body or organisation of any action against a Director in his or her capacity as such or an announcement by any governmental, regulatory or political body or organisation that it intends to take any such action; or

(xiii) a contravention by any Group Company or any Director of the GEM Listing Rules, the Companies Ordinance or any other laws, rules, statutes, ordinances, regulations, guidelines, opinions, notices, circulars, orders, judgements, decrees or rulings of any governmental authority ("**Laws**") applicable to the Placing; or

(xiv) a prohibition on our Company for whatever reason from allotting, issuing or selling any of the Placing Shares pursuant to the terms of the Placing; or

(xv) non-compliance of this prospectus and the other Relevant Documents or any aspect of the Placing with the GEM Listing Rules or any other Laws applicable to the Placing; or

(xvi) the issue or requirement to issue by our Company of a supplement or amendment to this prospectus and/or any other documents used in connection with the Placing pursuant to the Companies (WUMP) Ordinance, the GEM Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

(xvii) a valid demand by any creditor for repayment or payment of any indebtedness of any Group Company or in respect of which any Group Company is liable prior to its stated maturity,

which in each case individually or in aggregate in the sole and absolute opinion of the Joint Bookrunners (for themselves and on behalf of the Underwriters):

(a) has or is or will or could be expected to have a material adverse effect on the assets, liabilities, business, general affairs, management, shareholders' equity, profits, losses, results of operations, financial, trading or other condition or position or prospects or risks of our Company or our Group or any Group Company or on any present or prospective shareholder in his, her or its capacity as such; or

(b) has or will or may have or could be expected to have a material adverse effect on the success, marketability or pricing of the Placing or the level of interest under the Placing; or

(c) makes or will make or may make it inadvisable, inexpedient or impracticable for any part of the Underwriting Agreement or the Placing to be performed or implemented or proceeded with as envisaged or to market the Placing or shall otherwise result in an interruption to or delay thereof; or

(d) has or will have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Placing or pursuant to the underwriting thereof.

UNDERTAKINGS

Undertaking by our Company to the Sole Sponsor, the Joint Bookrunners and the Underwriters

Our Company has undertaken to each of the Sole Sponsor, the Joint Bookrunners and the Underwriters pursuant to the Underwriting Agreement that, except pursuant to the Capitalisation Issue, the Placing or grant of options or issue of our Shares upon exercise of such options pursuant to the Share Option Scheme, our Company and its subsidiaries will not, and will procure that our subsidiaries will not, without the prior written consent of the Sole Sponsor and the Joint Bookrunners and unless in compliance with the requirements of the GEM Listing Rules, (a) at any time during the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholders is made in this prospectus and ending on the date which is six months from the date on which dealings in our Shares commence on the Stock Exchange ("**First Six-month Period**"), offer, accept subscription for, pledge, charge, allot, issue, sell, lend, mortgage, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, make any short sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase, any of our Company's share capital, debt capital or other securities or any interest therein, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise; and (b) at any time within the further six months commencing on the expiry of the First Six-month Period, issue or grant (conditionally or unconditionally) any options or right to subscribe for or otherwise convert into or exchange for shares or securities in our Company or any of its major subsidiaries so as to result in any of the Controlling Shareholders (together with any of their associates) either individually or taken together with the others of them cease to be a controlling shareholder (within the meaning of the GEM Listing Rules) of our Company or cease to hold, directly or indirectly, a controlling interest of over 30% or such lower amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer in any of the companies controlled by him, her or it or any of their associates which owns any Shares or our Company ceasing to hold a controlling interest of over 30%, directly or indirectly, in any of such major subsidiaries.

Undertakings by the Controlling Shareholders to our Company, the Sole Sponsor, the Joint Bookrunners, the Underwriters and the Stock Exchange

Pursuant to Rule 13.16A of the GEM Listing Rules and the Underwriting Agreement, each of the Controlling Shareholders has jointly and severally undertaken to (i) our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters; and (ii) the Stock Exchange respectively that, save as contemplated under the Placing or as provided under Rule 13.18 of the GEM Listing Rules, she/it shall not and shall procure that the relevant registered shareholder(s) shall not, without the respective prior consent of our Company, the Sole Sponsor, the Joint Bookrunners and the Stock Exchange:

(a) at any time within the First Six-Month Period offer, allot, issue, agree to allot or issue, sell, lend, assign, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, or repurchase any of the share capital or other securities of our Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or any interest therein), or enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of share capital or such other securities, in cash or otherwise, or publicly disclose that our Company will or may enter into any of the foregoing transactions (whether or not such transaction will be completed in the aforesaid period); and

(b) at any time during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), issue or grant (conditionally or unconditionally) any option or right to subscribe for or otherwise convert into or exchange for Shares or securities of our Company or of any of its subsidiaries so as to result in any of our Controlling Shareholders ceasing to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company.

Voluntary undertakings by the Controlling Shareholders to our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters

Each of the Controlling Shareholders has further voluntarily jointly and severally undertaken to our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters that for an additional 24 months (the"**Additional 24-month Period**") commencing on the date on which the Second Six-Month Period expires, that she/it shall not dispose of, nor enter into any agreement to dispose of or otherwise create any encumbrances in respect of, any of the Shares (or any securities of our Company) if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Controlling Shareholders would, taken together with Mr. da Silva and BVI-da Silva, cease to control 30% or more shareholding in our Company.

Further, each of the Controlling Shareholders has jointly and severally undertaken to our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters respectively that she/it shall comply with the following requirements:

(i) during the Additional 24-month Period, in the event that she/it pledges or charges any of her/its direct or indirect interest in any Shares or other securities of our Company under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules at any time during the relevant periods specified above, she/it must inform our Company, the Sole Sponsor and the Joint Bookrunners immediately in writing disclosing the details specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and

(ii) during the Additional 24-month Period, having pledged or charged any interest in the Shares or other securities of our Company under sub-paragraph (i) above, she/it must inform our Company immediately in writing, in the event that she/it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of Shares (or other securities of our Company) affected.

In the event that our Company decides to waive the non-disposal requirements as contemplated under the voluntary undertakings given by the Controlling Shareholders, with the consent of the Sole Sponsor, the Joint Bookrunners and the Underwriters, our Company will seek for independent Shareholders' approval.

Voluntary Undertakings by Mr. da Silva and BVI-da Silva to our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters

Although Mr. da Silva and BVI-da Silva are not Controlling Shareholders, each of them has respectively given voluntary undertakings to (i) our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters; respectively that:

(a) for 12 months commencing from the date on which dealing in our Shares commence on the Stock Exchange, he/it shall not and shall procure that the relevant registered holder(s) shall not, without the respective prior written consent of our Company, the Sole Sponsor, the Joint Bookrunners and the Underwriters, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Shares held by he/it or any of his/its associates or companies controlled by him/it or any nominee or trustee holding on trust for himself/itself; and for an additional 24 months commencing on the date on which the period referred to in (a) above expires, he/it shall not dispose of, nor enter into any agreement to dispose of or otherwise create any encumbrances in respect of, any of the Shares (or any securities of our Company) if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, Mr. da Silva and BVI-da Silva would, taken together with the Controlling Shareholders, cease to control 30% or more shareholding in our Company.

In the event that our Company decides to waive the non-disposal requirements as contemplated under the voluntary undertakings given by Mr. da Silva and BVI-da Silva, with the consent of the Sole Sponsor, the Joint Bookrunners and the Underwriters, our Company will seek for independent Shareholders' approval.

COMMISSION AND EXPENSES

The Underwriters will receive an underwriting commission of 4.5% of the aggregate Placing Price payable for the Placing Shares. We will bear the underwriting commissions, SFC transaction levy and Stock Exchange trading fee payable by us in connection with the issue of the new Shares together with any applicable fees relating to the Placing. In addition, we may, at our sole discretion, pay the Joint Bookrunners an additional incentive fee for all the Shares offered and sold in the Placing.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee, legal and other professional fees, printing and other expenses payable by us relating to the Placing are estimated to amount to approximately HK$18.6 million in total (based on the mid-point of our indicative price range for the Placing, being HK$0.25 per Placing Share).

SOLE SPONSOR'S, JOINT BOOKRUNNERS', JOINT LEAD MANAGERS' AND UNDERWRITERS' INTERESTS IN OUR COMPANY

The Sole Sponsor will receive a sponsorship fee. The Joint Bookrunners (for themselves and on behalf of the Underwriters) will receive an underwriting commission. Particulars of these underwriting commission and expenses are set forth under the sub-paragraph headed "Commission and Expenses" of this section.

Our Company has appointed the Sole Sponsor as its compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date, or until the compliance adviser agreement is otherwise terminated in accordance with its terms and conditions.

Save for the obligations and the interests under the Underwriting Agreement as disclosed above, none of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers nor the Underwriters has any shareholding in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Following the completion of the Placing, the Underwriters and their respective affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreement.

STAMP TAXES

Buyers of Placing Shares sold by the Underwriters may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the Placing Price.

INDEMNITY

Our Company and the Controlling Shareholders have agreed to severally indemnify the Underwriters against certain losses which they may suffer, including losses arising from their performance of their obligations under the Underwriting Agreement and any breach by us or the Controlling Shareholders of the Underwriting Agreement as the case may be.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 6A.07 of the GEM Listing Rules.

THE PLACING

The 180,000,000 Placing Shares are being offered in the Placing, representing in aggregate 25% of our Company's enlarged share capital immediately after the completion of the Placing.

BOSC International Company Limited and Aristo Securities Limited are the Joint Bookrunners and the Joint Lead Managers of the Placing. A total of 180,000,000 Placing Shares will be offered under the Placing, which will be conditionally placed with professional, institutional and other investors. The Placing is fully underwritten by the Underwriters, subject to the terms and conditions of the Underwriting Agreement.

It is expected that the Underwriters or selling agents nominated by them on behalf of our Company will conditionally place the Placing Shares at the Placing Price with professional, institutional and other investors. Such professional, institutional and other investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities and investors which regularly invest in shares and other securities.

Allocation of the Placing Shares to investors pursuant to the Placing will be effected in accordance with the "book-building" process, undertaken by the Underwriters. Final allocation of the Placing Shares pursuant to the Placing is based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to buy further and/or hold or sell its Placing Shares after the Listing. Such allocation is generally intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a broad shareholder base for the benefit of our Company and its Shareholders as a whole.

CONDITIONS OF THE PLACING

The Placing will be conditional upon, among others:

(a) Listing

The Listing Division granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

(b) Underwriting Agreement

The obligations of the Underwriters under the Underwriting Agreement becoming unconditional in all respects. This requires that (i) the Underwriting Agreement is not terminated in accordance with its terms or otherwise prior to 8:00 a.m. on the Listing Date, which is expected to be 5 January 2017 and (ii) all other conditions set out in the Underwriting Agreement are fulfilled, on or before the dates and times specified in the Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event, not later than 22 January 2017, being the date which is 30th day after the date of this prospectus.

(c) Price Determination Agreement

The Price Determination Agreement between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) is expected to be entered into on or before the Price Determination Date. The Placing Price is expected to be fixed by the Price Determination Agreement.

If such conditions have not been fulfilled or waived by the Sole Sponsor and/or the Joint Bookrunners (for themselves and on behalf of the Underwriters) prior to the times and dates specified, the Placing will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by our Company on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.ooh.com.hk** on the next business day following such lapse.

BASIS OF ALLOCATION

Allocation of the Placing Shares to selected individuals, institutional and professional investors will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to purchase further Shares or hold or sell the Shares after the Listing. Such allocation is intended to result in a distribution of the Placing Shares which would lead to the establishment of a solid professional, and institutional shareholder base to the benefit of our Company and the Shareholders as a whole. In particular, Placing Shares will be allocated pursuant to Rule 11.23(8) of the GEM Listing Rules, that no more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public shareholder. There will not be any preferential treatment in the allocation of the Placing Shares to any persons.

No allocation will be permitted to nominee companies unless the name of the ultimate beneficiary is disclosed, without prior written consent of the Stock Exchange. Details of the Placing will be announced in accordance with Rules 10.12(4), 16.08 and 16.16 of the GEM Listing Rules.

PLACING PRICE

The Placing Price will not be more than HK$0.27 (and expected to be not less than HK$0.23). Subscribers, when subscribing for the Shares, shall pay the Placing Price plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. Assuming the Placing Price of HK$0.27 or HK$0.23 (being the highest and lowest prices of indicative Placing Price range respectively), investors shall pay HK$2,727.21 and HK$2,323.18 for every board lot of 10,000 Shares.

The Placing Price will be fixed by an agreement expected to be entered into between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on the Price Determination Date which is scheduled on or about 30 December 2016 at or before 5:00 p.m. (or such later time and/or date as agreed between our Company and the Joint Bookrunners). If our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Placing Price by the Price Determination Date or such date or time as may be agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriter(s)), or the Price Determination Agreement is not signed, the Placing will not become unconditional and will lapse.

Prospective investors of the Placing Shares should be aware that the Placing Price to be determined on the Price Determination Date may be, but is currently not expected to be, lower than the indicative range of the Placing Price stated in this prospectus.

PRICE PAYABLE ON APPLICATION

Applicants shall have to pay on application the maximum Placing Price of HK$0.27 plus 1% brokerage fee, a SFC transaction levy of 0.0027% and a Stock Exchange trading fee of 0.005% amounting to a total of HK$2,727.21 per board lot of 10,000 Shares.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence on 5 January 2017. The Shares will be traded in board lots of 10,000 each.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus on GEM and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on GEM or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

In respect of the dealings in the Shares which may be settled through CCASS, investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The following is the text of a report, prepared for the purpose of inclusion in this prospectus, received from our independent reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong.

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The Directors
OOH Holdings Limited

BOSC International Company Limited

23 December 2016

Dear Sirs,

We set out below our report on the financial information of OOH Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), including the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the two years ended 31 March 2015 and 2016, and the three months ended 30 June 2016 (the "Track Record Period") and the combined statements of financial position of the Group as at 31 March 2015, 2016 and 30 June 2016 and the statement of financial position of the Company as at 30 June 2016, together with a summary of significant accounting policies and other explanatory notes (the "Financial Information"), for inclusion in the prospectus of the Company dated 23 December 2016 (the "Prospectus") in connection with the initial listing of the shares of the Company (the "Listing") on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was incorporated in the Cayman Islands on 28 June 2016 as an exempted company with limited liability under the laws of the Cayman Islands (the "Cayman Islands Company Law"). Pursuant to a group reorganisation (the "Group Reorganisation") as set out in note 1.2 of Section II below, the Company has become the holding company of the companies now comprising the Group. The Company has not carried on any business since the date of its incorporation save for the aforementioned Group Reorganisation.

The Group is principally engaged in the provision of advertising display services in Hong Kong.

No audited financial statements have been prepared for the Company since its date of incorporation as it was newly incorporated and has not carried on any business, other than the Group Reorganisation as referred to above.

As of the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies with limited liability, the particulars of which are set out as follows:

Name of company	Place and date of incorporation	Issued and fully paid share capital	Effective interest held by the Company	Principal activities
Interests held directly				
Media Savvy Marketing International Limited ("MSBVI")	British Virgin Islands ("BVI"), 5 July 2016	100 shares totalling US dollar ("US$") 100	100%	Investment holding
Interests held indirectly				
Media Savvy Limited ("MSL")	Hong Kong ("HK"), 2 August 2004	10,000 shares totalling HK dollar ("HK$") 10,000	100%	Investment holding
Media Savvy Marketing Limited ("MSML")	HK, 30 May 2006	100 shares totalling HK$100	100%	Provision of advertising display services
Media Savvy In-Store Media Limited ("MSISML")	HK, 24 February 2009	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
Media Savvy Healthcare Media Limited ("MSHML")	HK, 5 July 2007	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
Medic Savvy Media Limited ("MedicSML")	HK, 27 June 2007	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
A1 Advertising & Production Company Limited ("AAPCL")	HK, 11 September 2008	10,000 shares totalling HK$10,000	100%	Inactive/no business operation

All companies now comprising the Group have adopted 31 March as their financial year end date.

No audited financial statements have been prepared for MSBVI since its date of incorporation as MSBVI was incorporated in jurisdiction where there is no statutory audit requirement.

The statutory financial statements of MSL and MSML for the year ended 31 March 2015 were audited by C.L. Tam & Company, Certified Public Accountants. These financial statements were prepared in accordance with Small and Medium-Sized Entity Financial Reporting Framework and Standard issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The statutory auditor of MSL and MSML for the year ended 31 March 2016 is BDO Limited.

The statutory financial statements of MSISML, MSHML, MedicSML and AAPCL for the years ended 31 March 2015 and 2016 were audited by C.L. Tam & Company, Certified Public Accountants. These financial statements were prepared in accordance with Small and Medium-Sized Entity Financial Reporting Framework and Standard issued by the HKICPA.

For the purpose of the Financial Information of this report, the directors of the Company have prepared the combined financial statements of the Group for the Track Record Period (the "Underlying Financial Statements") in accordance with the basis of presentation set out in note 2 of Section II below and the accounting policies set out in note 3 of Section II below which conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The Financial Information has been prepared by the directors of the Company based on the Underlying Financial Statements with no adjustment made thereon.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANT

The directors of the Company are responsible for the contents of the Prospectus including the preparation and true and fair presentation of the Underlying Financial Statements and Financial Information in accordance with the basis of presentation set out in note 2 of Section II below and the accounting policies set out in note 3 of Section II below, the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules"), and for such internal control as they determine is necessary to enable the preparation of Underlying Financial Statements and Financial Information that is free from material misstatements, whether due to fraud or error.

Our responsibility is to form an independent opinion on the Financial Information and to report our opinion to you. For the purpose of this report, we have carried out appropriate audit procedures on the Underlying Financial Statements for the Track Record Period in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. We have examined the Financial Information and carried out appropriate procedures as we considered necessary in accordance with the Auditing Guideline 3.340 — "Prospectuses and the Reporting Accountant" issued by the HKICPA.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, for the purpose of this report, and on the basis of presentation set out in note 2 of Section II and in accordance with the accounting policies set out in note 3 of Section II below, the Financial Information gives a true and fair view of the financial position of the Company as at 30 June 2016 and the financial position of the Group as at 31 March 2015, 2016 and 30 June 2016 and of the financial performance and cash flows of the Group for the Track Record Period.

REVIEW OF COMPARATIVE FINANCIAL INFORMATION

For the purpose of this report, we have also reviewed the unaudited financial information of the Group including the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the three months ended 30 June 2015, together with explanatory notes thereto (the "Comparative Financial Information") in accordance with Hong Kong Standard on Review Engagement 2410 — "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The directors of the Company are responsible for the preparation of the Comparative Financial Information in accordance with the same basis adopted in respect of the Financial Information.

Our responsibility is to express a conclusion on the Comparative Financial Information based on our review. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with HKSAs and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information.

Based on our review which does not constitute an audit for the purpose of this report, nothing has come to our attention that causes us to believe the Comparative Financial Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I FINANCIAL INFORMATION

Combined Statements of Profit or Loss and Other Comprehensive Income

	Notes	Year ended 31 March		Three months ended 30 June	
		2015	2016	2015	2016
		HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenue	*5, 6*	49,130	55,824	12,750	14,787
Cost of sales		(24,243)	(29,269)	(6,260)	(7,946)
Gross profit		24,887	26,555	6,490	6,841
Other income and gains/(losses), net	*6*	1,579	2,025	547	430
Selling expenses		(4,444)	(4,742)	(1,197)	(1,317)
Administrative expenses		(6,935)	(6,100)	(1,664)	(1,443)
Listing expenses		—	—	—	(4,799)
Other operating expenses		(1,100)	(917)	(275)	—
Finance costs	*7*	(164)	(90)	(30)	(12)
Profit/(Loss) before income tax	*8*	13,823	16,731	3,871	(300)
Income tax expense	*9*	(2,164)	(2,535)	(570)	(676)
Profit/(Loss) for the year/period		11,659	14,196	3,301	(976)
Other comprehensive income					
Item that may be reclassified to profit or loss:					
Available-for-sale financial assets:					
Change in value		(80)	(65)	36	46
Reclassification adjustments for (losses)/gains included in the combined statements of profit or loss		(16)	17	(31)	(173)
Other comprehensive income for the year/period, net of tax		(96)	(48)	5	(127)
Total comprehensive income for the year/period		11,563	14,148	3,306	(1,103)

Combined Statements of Financial Position

	Notes	As at 31 March 2015	As at 31 March 2016	As at 30 June 2016
		HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*13*	409	296	254
Current assets				
Available-for-sale financial assets	*14*	8,301	3,803	2,228
Trade receivables	*15*	4,708	5,306	4,798
Deposits, prepayments and other receivables	*16*	3,381	4,044	4,671
Amounts due from directors	*17*	1,877	1,786	2,485
Pledged bank deposits	*18*	2,696	468	468
Cash and bank balances	*18*	21,946	26,305	28,314
		42,909	41,712	42,964
Current liabilities				
Trade payables	*19*	1,288	1,127	663
Accruals, deposits received and other payables	*20*	15,410	10,846	13,160
Bank borrowings	*21*	2,454	1,017	804
Amount due to a director	*17*	184	—	—
Tax payable		1,464	352	1,028
		20,800	13,342	15,655
Net current assets		22,109	28,370	27,309
Net assets		22,518	28,666	27,563
CAPITAL AND RESERVES				
Share capital	*22*	10	10	10
Reserves	*23*	22,508	28,656	27,553
Total equity		22,518	28,666	27,563

Statement of Financial Position

	As at 30 June 2016
	HK$'000
ASSET	
Current asset	
Other receivable	—
Net asset	—
CAPITAL AND RESERVE	
Share capital	—
Total equity	—

Combined Statements of Changes in Equity

	Share capital	Available-for-sale financial assets reserve*	Retained earnings*	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2014	10	50	18,895	18,955
Profit for the year	—	—	11,659	11,659
Other comprehensive income				
Change in value of available-for-sale financial assets	—	(96)	—	(96)
Total comprehensive income for the year	—	(96)	11,659	11,563
Interim dividend *(note 11)*	—	—	(8,000)	(8,000)
At 31 March 2015 and 1 April 2015	10	(46)	22,554	22,518
Profit for the year	—	—	14,196	14,196
Other comprehensive income				
Change in value of available-for-sale financial assets	—	(48)	—	(48)
Total comprehensive income for the year	—	(48)	14,196	14,148
Interim dividend *(note 11)*	—	—	(8,000)	(8,000)
At 31 March 2016	10	(94)	28,750	28,666
Loss for the period	—	—	(976)	(976)
Other comprehensive income				
Change in value of available-for-sale financial assets	—	(127)	—	(127)
Total comprehensive income for the period	—	(127)	(976)	(1,103)
At 30 June 2016	10	(221)	27,774	27,563
At 31 March 2015 and 1 April 2015	10	(46)	22,554	22,518
Profit for the period	—	—	3,301	3,301
Other comprehensive income				
Change in value of available-for-sale financial assets	—	5	—	5
Total comprehensive income for the period	—	5	3,301	3,306
At 30 June 2015 (unaudited)	10	(41)	25,855	25,824

* The total of these accounts as at the end of each reporting period represents "Reserves" in the combined statements of financial position.

Combined Statements of Cash Flows

	Note	Year ended 31 March		Three months ended 30 June	
		2015	2016	2015	2016
		HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Cash flows from operating activities					
Profit/(Loss) before income tax		13,823	16,731	3,871	(300)
Adjustments for:					
Bad debt directly written off in respect of trade receivables		—	23	—	—
Bank interest income		(54)	(63)	(27)	(13)
Depreciation of property, plant and equipment		201	203	46	42
Finance costs		164	90	30	12
Investment income		(813)	(917)	(280)	(102)
Loss/(Gain) on disposal of available-for-sale financial assets, net		46	(437)	(15)	(199)
Operating profit/(loss) before working capital changes		13,367	15,630	3,625	(560)
(Increase)/Decrease in trade receivables		(737)	(621)	(358)	508
Increase in deposits, prepayments and other receivables		(876)	(663)	(74)	(627)
(Increase)/Decrease in amounts due from directors		(646)	91	520	(699)
Decrease in amount due from a related company		170	—	—	—
(Decrease)/Increase in trade payables		(2,407)	(161)	120	(464)
(Decrease)/Increase in accruals, deposits received and other payables		(71)	1,276	1,432	2,314
Decrease in amount due to a director		(482)	(184)	—	—
Cash generated from operations		8,318	15,368	5,265	472
Income tax paid		(698)	(3,647)	—	—
Net cash generated from operating activities		7,620	11,721	5,265	472
Cash flows from investing activities					
Purchase of property, plant and equipment		(89)	(90)	—	—
Purchase of available-for-sale financial assets		(1,005)	(2,923)	(2,923)	—
Proceeds from disposal of available-for-sale financial assets		1,551	7,833	1,636	1,654
(Increase)/Decrease in pledged bank deposits		(50)	2,228	(14)	—
Increase in fixed deposits with original maturity of over three months		(2)	(601)	—	—
Investment income		804	894	275	95
Interest received		54	63	27	13

	Note	Year ended 31 March		Three months ended 30 June	
		2015	2016	2015	2016
		HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Net cash generated from/(used in) investing activities		1,263	7,404	(999)	1,762
Cash flows from financing activities					
Proceeds from bank borrowings		2,500	—	—	—
Repayment of bank borrowings		(2,735)	(1,437)	(369)	(213)
Interim dividends paid		(2,160)	(13,840)	(5,300)	—
Interest paid		(164)	(90)	(30)	(12)
Net cash used in financing activities		(2,559)	(15,367)	(5,699)	(225)
Net increase/(decrease) in cash and cash equivalents		6,324	3,758	(1,433)	2,009
Cash and cash equivalents at beginning of the year/period		15,320	21,644	21,644	25,402
Cash and cash equivalents at end of the year/period	*18*	21,644	25,402	20,211	27,411

II NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION AND GROUP REORGANISATION

1.1 General Information

The Company was incorporated in the Cayman Islands on 28 June 2016 as an exempted company with limited liability under the laws of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is located at Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. As at the date of incorporation, its initial authorised share capital was HK$100,000 divided into 10 million shares of HK$0.01 each.

The directors of the Company considered Goldcore Global Investments Limited, a company incorporated in the BVI as the immediate and ultimate holding company.

The principal activity of the Company is investment holding. The principal activity of the Group is provision of advertising display services in Hong Kong (the "Listing Business").

1.2 Group Reorganisation

Prior to the incorporation of the Company and the completion of the Group Reorganisation, the Listing Business was carried out by MSML now included in the Group. MSML is wholly owned by MSL, a company incorporated in Hong Kong with limited liability, prior to and throughout the Track Record Period.

In preparation for the Listing on the GEM of the Stock Exchange, the Group Reorganisation was undertaken to transfer the Listing Business and the equity interests of MSL to the Company as set out in the section headed "History, Development and Reorganisation" in the Prospectus.

Upon the completion of the Group Reorganisation, the Company holds the entire equity interests, directly or indirectly, of companies now comprising the Group.

2. BASIS OF PRESENTATION

The Group Reorganisation involved only inserting new holding companies on top of MSL and has not resulted in any change in economic substance. Accordingly, the Financial Information has been prepared using the merger basis of accounting as if the current group structure had been in existence throughout the Track Record Period, or since their respective dates of incorporation, whichever was shorter.

The combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the Track Record Period include the results and cash flows of all companies now comprising the Group, as if the current structure had been in existence throughout the Track Record Period, or since their respective dates of acquisition or incorporation/establishment, whichever is a shorter period. The combined statements of financial position of the Group as at the end of each reporting period have been prepared to present the financial position of the Group as if the current structure had been in existence at these dates or since their respective dates of acquisition or incorporation/establishment, whichever is the shorter period, using their historical carrying amounts prior to the Group Reorganisation.

The Financial Information is presented in HK$, which is also the functional currency of the Company and its subsidiaries, and all value is rounded to the nearest thousand, except when otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the purpose of preparing and presenting the Financial Information, the Group has consistently applied the accounting policies set out below, which conform to HKFRSs (which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA, throughout the Track Record Period. The Financial Information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance, and the applicable disclosure provisions of the Listing Rules.

The significant accounting policies that have been used in the preparation of the Financial Information are summarised below. These policies have been consistently applied during the Track Record Period unless otherwise stated. The Financial Information has been prepared under the historical cost basis except for the available-for-sale financial assets which are measured at fair value. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and judgements have been made in preparing the Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and judgements. The areas where estimates and judgements are significant to the Financial Information are set out in note 4 "Critical accounting judgement and key sources of estimation uncertainty".

3.1 Adoption of new or amended HKFRSs

The HKICPA has issued a number of new or amended HKFRSs which were relevant to the Group and became effective during the Track Record Period. In preparing the Financial Information, the Group has adopted all these new or amended HKFRSs consistently throughout the Track Record Period.

At the date of authorisation of the Financial Information, certain new or amended HKFRSs, which have been published but are not yet effective, have not been early adopted by the Group.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new or amended HKFRSs that is expected to have an impact on the Group's accounting policies is provided below. Certain other new or amended HKFRSs have been issued but are not expected to have a material impact on the Financial Information.

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019

HKFRS 9 (2014) — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 — Revenue, HKAS 11 — Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation

Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

HKFRS 16 — Leases

HKFRS 16 — Leases supersedes HKAS 17 — Leases, HK(IFRIC) Int 4 — Determining whether an Arrangement contain a Lease, HK(SIC) Int 15 — Operating Lease — Incentives and HK(SIC) Int 27 — Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17. Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, after considering the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer).

HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

HKFRS 16 substantially carries forward the lessor's accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As set out in note 25, total operating lease commitments of the Group in respect of advertising spaces and office equipment amounted to approximately HK$31.2 million. The management does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial performance but it is expected that certain portion of these lease commitments will be required to be recognised in the statement of financial position of the Group as right-of-use assets and lease liabilities.

The Group is in the process of making an assessment of the impact of other new or amended HKFRSs but is not yet in a position to state whether these new or amended HKFRSs would have a significant impact on the Group's financial information.

3.2 Basis of combination

The Financial Information incorporates the financial statements of the Company and its subsidiaries now comprising the Group for the Track Record Period. As explained in note 2 of Section II above, the Group Reorganisation is accounted for using merger accounting.

All intra-group transactions, balances and unrealised gains on transactions have been eliminated in full on combination. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee; (ii) exposure or rights to variable returns from the investee and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

3.4 Foreign currency translation

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

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

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are recognised as an expense in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Display monitors and devices	5 years
Furniture and fixtures	5 years
Motor vehicle	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

3.6 Lease

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

Where the Group has the right over the use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

3.7 Financial instruments

(i) *Financial assets*

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. All financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

(ii) *Impairment loss on financial assets*

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; or
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Loans and receivables

An impairment loss is recognised in profit or loss and directly reduces the carrying amount of loans and receivables when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity financial assets, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(iii) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, bank borrowings and amount due to a director are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand as well as short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Revenue and other income recognition

The Group's revenue is primarily derived from provision of advertising display services on the Group's media networks, primarily in Hong Kong.

Revenue comprises the fair value of the consideration received or receivable for the rendering of services, net of discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Advertising display services

Revenue from advertising display services is recognised on a straight-line basis over the performance period for which the advertisements are displayed.

Rental income

Rental income is recognised on straight-line basis over the terms of the relevant leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on straight-line basis over the lease term.

Bank interest income

Bank interest income is recognised on a time basis on the principals outstanding at the applicable interest rates.

3.10 Accounting for income tax

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

3.11 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. Short-term employee benefits are recognised in the period when the employees render the related service.

Defined contribution retirement plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. Contributions are made based on a percentage of the employees' basic salaries to the maximum mandatory contribution as required by the MPF Scheme. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short-term nature. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss in the period when the services are rendered by the employees.

3.12 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3.13 Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.14 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.15 Related parties

For the purposes of the Financial Information, a party is considered to be related to the Group if:

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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

Key sources of estimation uncertainty

In addition to information disclosed elsewhere in this Financial Information, other key sources of estimation uncertainty that have significant risks of resulting in a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) *Impairment of trade and other receivables*

Recoverability of the trade and other receivables are reviewed by management based on the receivables' ageing characteristics, the current creditworthiness and past collection history of each customer. Judgement is required in assessing the ultimate realisation of these receivables, and the financial conditions of the debtors may undergo adverse changes since the last management evaluation. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required in future accounting periods.

(ii) *Fair value measurement*

Certain assets included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "Fair Value Hierarchy"):

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period in which they occur.

The Group measures available-for-sale financial assets at fair value.

For more detailed information in relation to the fair value measurement of the item above, please refer to the applicable note.

5. 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 Track Record Period. 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.

The segment revenue and results, and the totals presented for the Group's operating segments reconciled to the Group's key financial figures as presented in the Financial Information are as follows:

	Minibus	Taxi	Others	Total Transportation Business	Hospitals and clinics	Health and beauty retail stores	Total Healthcare Business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2015								
Revenue	33,063	181	2,139	35,383	9,511	4,236	13,747	49,130
Cost of sales				(18,375)			(5,868)	(24,243)
Gross profit				17,008			7,879	24,887
Unallocated other income and gains/(losses), net								1,579
Corporate and other unallocated expenses								(12,479)
Finance costs								(164)
Profit before income tax								13,823

	Minibus	Taxi	Others	Total Transportation Business	Hospitals and clinics	Health and beauty retail stores	Total Healthcare Business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2016								
Revenue	41,257	627	2,703	44,587	7,710	3,527	11,237	55,824
Cost of sales				(22,224)			(7,045)	(29,269)
Gross profit				22,363			4,192	26,555
Unallocated other income and gains/(losses), net								2,025
Corporate and other unallocated expenses								(11,759)
Finance costs								(90)
Profit before income tax								16,731

	Minibus	Taxi	Others	Total Transportation Business	Hospitals and clinics	Health and beauty retail stores	Total Healthcare Business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Three months ended 30 June 2015 (unaudited)								
Revenue	9,523	76	270	9,869	1,660	1,221	2,881	12,750
Cost of sales				(4,999)			(1,261)	(6,260)
Gross profit				4,870			1,620	6,490
Unallocated other income and gains/(losses), net								547
Corporate and other unallocated expenses								(3,136)
Finance costs								(30)
Profit before income tax								3,871

	Minibus	Taxi	Others	Total Transportation Business	Hospitals and clinics	Health and beauty retail stores	Total Healthcare Business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Three months ended 30 June 2016								
Revenue	10,565	780	418	11,763	2,445	579	3,024	14,787
Cost of sales				(6,044)			(1,902)	(7,946)
Gross profit				5,719			1,122	6,841
Unallocated other income and gains/(losses), net								430
Corporate and other unallocated expenses								(7,559)
Finance costs								(12)
Loss before income tax								(300)

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its place of domicile.

The Group's non-current assets are all based in Hong Kong. No geographical information is presented for the Group's business segment as the Group is principally engaged in provision of advertising display services in Hong Kong.

Information about major customers

Revenue from a customer contributing over 10% of total revenue to the Group is as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Customer A	7,059	N/A	1,348	N/A

No other transactions with a single customer amounted to 10% or more of the Group's revenue during the Track Record Period.

6. REVENUE AND OTHER INCOME AND GAINS/(LOSSES), NET

Revenue is derived from provision of advertising display services during the Track Record Period.

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Other income and gains/(losses), net				
Bank interest income	54	63	27	13
Exchange gain/(loss), net	3	(116)	8	—
Investment income	813	917	280	102
(Loss)/Gain on disposal of available-for-sale financial assets, net	(46)	437	15	199
Rental income	617	665	180	113
Others	138	59	37	3
	1,579	2,025	547	430

7. FINANCE COSTS

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interest on bank borrowings	164	90	30	12

8. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging the following:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditors' remuneration	99	150	51	54
Bad debt directly written off in respect of trade receivables	—	23	—	—
Depreciation of property, plant and equipment	201	203	46	42
Operating lease rental in respect of:				
— Advertising spaces (included in cost of sales)	22,350	26,877	5,882	7,233
— Premises	201	201	50	50
Employee costs (including directors' emoluments in note 10):				
— Salaries and other benefits in kind	8,766	8,009	2,020	2,198
— Retirement scheme contributions	254	246	63	65
	9,020	8,255	2,083	2,263

9. INCOME TAX EXPENSE

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Current tax — Hong Kong Profits Tax				
— Tax for the year	2,164	2,535	570	676

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

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits of subsidiaries operating in Hong Kong for the Track Record Period.

No deferred tax has been recognised as there were no material temporary differences for the Track Record Period.

Reconciliation between income tax expense and accounting profit/(loss) at applicable tax rate:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit/(Loss) before income tax	13,823	16,731	3,871	(300)
Tax at the Hong Kong Profits Tax rate of 16.5%	2,281	2,761	639	(49)
Tax effect of non-deductible items	25	10	2	795
Tax effect of non-taxable items	(143)	(234)	(52)	(52)
Tax effect of temporary differences not recognised	17	19	2	2
Others	(16)	(21)	(21)	(20)
Income tax expense	2,164	2,535	570	676

10. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS, HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

(a) Directors' emoluments

The emoluments of each of the directors during the Track Record Period were set out below:

	Fees	Salaries and other benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2015					
Executive Directors					
Ms. Chau Wai Chu Irene	—	1,548	400	18	1,966
Ms. Cheung Kit Yi	—	244	—	12	256
Mr. Lean Chun Wai	—	427	400	18	845
	—	2,219	800	48	3,067
Non-Executive Director					
Mr. da silva Antonio Marcus	—	—	—	—	—
	—	2,219	800	48	3,067

	Fees	Salaries and other benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2016					
Executive Directors					
Ms. Chau Wai Chu Irene	—	1,486	—	2	1,488
Ms. Cheung Kit Yi	—	252	—	13	265
Mr. Lean Chun Wai	—	422	—	18	440
	—	2,160	—	33	2,193
Non-Executive Director					
Mr. da Silva Antonio Marcus	—	—	—	—	—
	—	2,160	—	33	2,193

	Fees	Salaries and other benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Three months ended 30 June 2015 (unaudited)					
Executive Directors					
Ms. Chau Wai Chu Irene	—	374	—	2	376
Ms. Cheung Kit Yi	—	63	—	3	66
Mr. Lean Chun Wai	—	107	—	5	112
	—	544	—	10	554
Non-Executive Director					
Mr. da Silva Antonio Marcus	—	—	—	—	—
	—	544	—	10	554

	Fees	Salaries and other benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Three months ended 30 June 2016					
Executive Directors					
Ms. Chau Wai Chu Irene	—	380	—	—	380
Ms. Cheung Kit Yi	—	66	—	3	69
Mr. Lean Chun Wai	—	105	—	5	110
	—	551	—	8	559
Non-Executive Director					
Mr. da Silva Antonio Marcus	—	—	—	—	—
	—	551	—	8	559

Ms. Chau Wai Chu Irene is also the chief executive of the Company and her emoluments disclosed above included those for services rendered by her as the chief executive.

No directors waived any emoluments during the Track Record Period.

(b) The five highest paid individuals

The five highest paid individuals of the Group during the Track Record Period are analysed as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	Number of individuals	*Number of individuals*	*Number of individuals* (unaudited)	*Number of individuals*
Directors	3	3	3	3
Non-directors, the highest paid individuals	2	2	2	2
	5	5	5	5

Of the five individuals with the highest emoluments in the Group, 3 were directors of the Company for each of years ended 31 March 2015 and 2016, and the three months ended 30 June 2016, whose emoluments are included in the analysis presented above. The emoluments of the remaining 2 individuals for years ended 31 March 2015 and 2016, and the three months ended 30 June 2016 were as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries and other benefits in kind	671	795	197	208
Retirement scheme contributions	28	30	7	8
	699	825	204	216

(c) Senior management emoluments

Emoluments paid or payable to members of senior management who are not directors were within the following band:

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	Number of individuals	*Number of individuals*	*Number of individuals* (unaudited)	*Number of individuals*
Nil–HK$1,000,000	2	2	2	2

During the Track Record Period, no emoluments were paid by the Group to any director or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. There were no arrangements under which a director waived or agreed to waive any emolument during the Track Record Period.

11. DIVIDEND

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interim dividend	8,000	8,000	—	—

No dividend has been paid or declared by the Company since its incorporation. For the purpose of this Financial Information, the interim dividends for the years ended 31 March 2015 and 2016 represented interim dividends declared by a group entity to its then members.

The rates of dividends and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of this Financial Information.

12. EARNINGS/(LOSS) PER SHARE

No earnings/(loss) per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Group Reorganisation and the preparation of the results for the Track Record Period on a combined basis as set out in note 2 of Section II above.

13. PROPERTY, PLANT AND EQUIPMENT

	Display monitors and devices	Furniture and fixtures	Motor vehicle	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2014				
Cost	2,389	470	—	2,859
Accumulated depreciation	(1,924)	(414)	—	(2,338)
Net carrying amount	**465**	**56**	**—**	**521**
Year ended 31 March 2015				
Opening net carrying amount	465	56	—	521
Additions	72	17	—	89
Depreciation	(164)	(37)	—	(201)
Closing net carrying amount	**373**	**36**	**—**	**409**
At 31 March 2015 and 1 April 2015				
Cost	2,461	487	—	2,948
Accumulated depreciation	(2,088)	(451)	—	(2,539)
Net carrying amount	**373**	**36**	**—**	**409**
Year ended 31 March 2016				
Opening net carrying amount	373	36	—	409
Additions	20	50	20	90
Depreciation	(166)	(33)	(4)	(203)
Closing net carrying amount	**227**	**53**	**16**	**296**
At 31 March 2016 and 1 April 2016				
Cost	2,481	537	20	3,038
Accumulated depreciation	(2,254)	(484)	(4)	(2,742)
Net carrying amount	**227**	**53**	**16**	**296**
Period ended 30 June 2016				
Opening net carrying amount	227	53	16	296
Depreciation	(35)	(6)	(1)	(42)
Closing net carrying amount	**192**	**47**	**15**	**254**
At 30 June 2016				
Cost	2,481	537	20	3,038
Accumulated depreciation	(2,289)	(490)	(5)	(2,784)
Net carrying amount	**192**	**47**	**15**	**254**

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Listed debt securities	5,984	1,628	—
Unlisted debt or equity portfolio funds	2,317	2,175	2,228
	8,301	3,803	2,228

The available-for-sale financial assets represented certain quoted or unquoted debt securities and debt or equity portfolio funds. The fair value of these traded investments is based on the prices, which are considered as fair value, quoted on active markets provided by the brokers. At 31 March 2015, 2016 and 30 June 2016, the Group had debt or equity portfolio funds of approximately HK$989,000, HK$942,000 and HK$954,000 respectively that were pledged to the bank as securities for certain facilities granted to the Group. The management of the Company believe that the estimated fair value based on the statements provided by the brokers is reasonable, and that they are the most appropriate value at the end of each reporting period.

Available-for-sale financial assets were denominated in the following currencies:

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
HK$	1,323	1,230	1,263
US$	6,978	2,573	965
	8,301	3,803	2,228

The maximum exposure to credit risk at the end of each reporting period is the carrying value of the available-for-sale financial assets.

15. TRADE RECEIVABLES

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	4,708	5,306	4,798

The ageing analysis of trade receivables that are not impaired as at the end of each reporting period, based on revenue recognition date, is as follows:

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
0–90 days	2,629	2,884	1,779
91–180 days	901	2,129	2,577
181–365 days	169	285	435
Over 365 days	1,009	8	7
	4,708	5,306	4,798

The Group has no specified credit terms for its customers. The ageing analysis of the Group's trade receivables that are not impaired, based on due date, is as follows:

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Neither past due nor impaired	1,266	534	870
Past due less than 3 months	2,002	3,058	1,477
Past due more than 3 months but less than 6 months	271	1,439	1,904
Past due more than 6 months	1,169	275	547
	4,708	5,306	4,798

At 31 March 2015, 2016 and 30 June 2016, the Group had trade receivables of approximately HK$3,442,000, HK$4,772,000 and HK$3,928,000 respectively that were past due but not impaired as there was no recent history of default in respect of these trade debtors. Trade receivables that were neither past due nor impaired related to a large number of independent customers that had a good track record of credit with the Group. In general, the Group does not hold any collateral or other credit enhancements over these balances.

16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Other receivables	3,299	3,938	4,237
Deposits	63	63	66
Prepayments	19	43	368
	3,381	4,044	4,671

17. AMOUNTS DUE FROM/TO DIRECTORS

	As at 1 April	As at 31 March		As at 30 June	Maximum outstanding amount during the year/period 31 March		30 June
	2014	2015	2016	2016	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due from directors							
Mr. Lean Chun Wai	—	—	2	365	—	2	379
Ms. Chau Wai Chu Irene	1,231	1,877	1,784	2,120	2,596	1,896	2,137
	1,231	1,877	1,786	2,485			
Amount due to a director							
Mr. Lean Chun Wai		184	—	—			

The amounts due from/to directors are unsecured, interest free and repayable on demand.

All amounts due from directors were settled on 16 December 2016.

18. PLEDGED BANK DEPOSITS AND CASH AND BANK BALANCES

	As at 31 March 2015	As at 31 March 2016	As at 30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Cash at banks and in hand	21,443	23,545	25,541
Fixed deposits	3,199	3,228	3,241
	24,642	26,773	28,782
Less: Pledged bank deposits	(2,696)	(468)	(468)
Cash and bank balances per combined statements of financial position	21,946	26,305	28,314
Less: Fixed deposits with original maturity of over three months	(302)	(903)	(903)
Cash and cash equivalents per combined statements of cash flows	21,644	25,402	27,411

The Group's cash and bank balances consist of bank deposits carrying interests at floating rates based on daily bank deposit rates.

As at 31 March 2015, 2016 and 30 June 2016, certain deposits were restricted bank balances pledged to banks as securities mainly for letters of guarantee issued to certain third party suppliers on behalf of the Group.

19. TRADE PAYABLES

Based on the receipts of services and goods, which normally coincided with the invoice dates, the ageing analysis of the Group's trade payables as at the end of each reporting period is as follows:

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
0–90 days	800	804	541
91–180 days	270	181	75
181–365 days	18	105	9
Over 365 days	200	37	38
	1,288	1,127	663

20. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Accrued expenses	572	668	2,320
Advance received from customers	8,809	9,907	10,504
Dividend payable	5,840	—	—
Other payables	189	271	336
	15,410	10,846	13,160

21. BANK BORROWINGS

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Current			
Secured and interest bearing, subject to repayment on demand clause			
Bank borrowings due for repayment within one year	1,437	868	804
Bank borrowings due for repayment after one year	1,017	149	—
	2,454	1,017	804

The current liabilities as at 31 March 2015, 2016 and 30 June 2016 include bank borrowings that were not scheduled to repay within one year after the end of the reporting period. They are classified as current liabilities as the related loan agreements contain a clause that provides the lenders with an unconditional right to demand repayment at any time at their own discretion. None of the portion of these bank borrowings due for repayment after one year which contain a repayment on demand clause and that are classified as current liabilities are expected to be settled within one year.

The bank borrowings of the Group as at 31 March 2015, 2016 and 30 June 2016 were secured by:

(i) personal guarantee by Ms. Chau Wai Chu Irene, an executive director; and

(ii) loan guarantees issued by the Government of the Hong Kong Special Administrative Region.

The bank borrowings at the end of the Track Record Period has been repaid on 15 December 2016.

All the Group's bank borrowings are denominated in the functional currency of the Company (i.e. HK$).

22. SHARE CAPITAL

Details of the movements of the Company's share capital are set out in the section headed "History, Development and Reorganisation — Corporate History and Development" in the Prospectus.

For the purpose of this Financial Information, the share capital as at 31 March 2015, 2016 and 30 June 2016 represented the amount of paid-up share capital of MSL at those dates. The Company's shares were nil-paid on incorporation and as at 30 June 2016.

23. RESERVES

The amounts of the Group's reserves and the movements therein for the Track Record Period are presented in the combined statements of changes in equity in Section I.

24. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this Financial Information, the following transactions were carried out with related parties:

(i) Significant related party transactions during the Track Record Period

		Year ended 31 March		Three months ended 30 June	
	Note	**2015**	**2016**	**2015**	**2016**
		HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Operating lease rental paid to a related company — Golden Billion Investment Limited ("Golden Billion")	*(a)*	201	201	50	50

Note:

(a) Golden Billion was owned by a former member of MSL, Mr. Lau Hon Chung Tony ("Mr. Tony Lau") up to 23 March 2016. In March 2016, Mr. Tony Lau's shareholding in MSL has been transferred to AL Capital Limited, a company owned by Mr. Lau Anthony Chi Sing, son of Mr. Tony Lau. Rental expenses paid to Golden Billion were conducted in the normal course of business.

(ii) Compensation of key management personnel

	Year ended 31 March		Three months ended 30 June	
	2015	2016	2015	2016
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Short-term benefits	3,680	2,956	741	759
Post-employment benefits	74	62	17	16
	3,754	3,018	758	775

25. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating lease commitments

The Group leases office equipment and certain advertising spaces under non-cancellable operating leases. The leases run for an initial period of 1 to 4 years during the Track Record Period.

	As at 31 March		As at 30 June 2016
	2015	2016	
	HK$'000	*HK$'000*	*HK$'000*
Office equipment:			
Within one year	23	17	12
In the second to fifth year, inclusive	17	—	—
	40	17	12
Advertising spaces:			
Within one year	8,857	13,451	14,774
In the second to fifth year, inclusive	18,864	12,653	16,378
	27,721	26,104	31,152
	27,761	26,121	31,164

(b) Capital commitments

At the end of each reporting period, the Group did not have any significant capital commitments.

(c) Contingent liabilities

At the end of each reporting period, the Group did not have any significant contingent liabilities.

26. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives include:

(i) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns;

(ii) for shareholders and benefits for other stakeholders; and

(iii) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, capital expenditures and strategic investment opportunities.

Management of the Company regards total equity as capital. The amount of capital as at 31 March 2015, 2016 and 30 June 2016 amounted to approximately HK$22,518,000, HK$28,666,000 and HK$27,563,000 respectively, which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

The gearing ratios as at the end of each reporting period were as follows:

	As at 31 March		As at
	2015	**2016**	**30 June 2016**
	HK$'000	*HK$'000*	*HK$'000*
Bank borrowings	2,454	1,017	804
Total equity	22,518	28,666	27,563
Gearing ratio	10.9%	3.5%	2.9%

27. RETIREMENT SCHEME

Under the Mandatory Provident Fund Schemes Ordinance regulated by the Mandatory Provident Fund ("MPF") Schemes Authority in Hong Kong, with effect from 1 December 2000, the Group participates in a MPF scheme operated by an approved trustee in Hong Kong and makes contributions for its eligible employees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income. The cap of monthly relevant income has been increased from HK$25,000 to HK$30,000 since 1 June 2014. Contributions to the MPF scheme vest immediately. For the years ended 31 March 2015 and 2016, and the three months ended 30 June 2016, the aggregate amounts of employer's contributions made by the Group are approximately HK$254,000, HK$246,000 and HK$65,000 respectively. No forfeited contribution is available for offset against existing contributions during the Track Record Period.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to price risk arising from its investments in debt or equity portfolio funds.

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of which and cause a financial loss to the Group.

The Group's exposure to credit risk mainly arises from granting credits to customers in the ordinary course of its operations and is limited to the carrying amounts of financial assets recognised at the end of each reporting period, as summarised in note 28(g).

The Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk. The Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. The Group's bank balances are deposited with major banks in Hong Kong. The Group has no other significant exposure to credit risk.

The credit policies have been followed by the Group throughout the Track Record Period and are considered to be effective.

(b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's policy is to regularly monitor current and expected liquidity requirements in the short and long terms. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations. The Group relies on internally generated funds as a significant source of liquidity.

The maturity profile of the financial liabilities as at the end of each reporting period, based on the contracted undiscounted payments, was as follows:

	Carrying amount	Total contractual undiscounted cash flows	On demand	Less than three months	Three to twelve months
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2015					
Non-derivatives:					
Trade payables	1,288	1,288	1,229	59	—
Accruals and other payables	6,446	6,446	5,994	102	350
Amount due to a director	184	184	—	—	184
Bank borrowings	2,454	2,454	2,454	—	—
	10,372	10,372	9,677	161	534
At 31 March 2016					
Non-derivatives:					
Trade payables	1,127	1,127	1,122	5	—
Accruals and other payables	765	765	291	45	429
Bank borrowings	1,017	1,017	1,017	—	—
	2,909	2,909	2,430	50	429
At 30 June 2016					
Non-derivatives:					
Trade payables	663	663	612	51	—
Accruals and other payables	2,389	2,389	504	1,471	414
Bank borrowings	804	804	804	—	—
	3,856	3,856	1,920	1,522	414

The following table summarises the maturity analysis of the Group's bank borrowings with repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time banding in the maturity analysis contained above. Taking into account the Group's financial position, the management does not consider it is probable that the banks will exercise their discretion to demand immediate repayment. The management believes that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 5 years
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2015	2,454	2,577	1,528	1,049
At 31 March 2016	1,017	1,049	899	150
At 30 June 2016	804	825	825	—

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out below.

The following table details the interest rate profile of the Group's borrowings at the end of each reporting period.

	As at 31 March 2015		As at 31 March 2016		As at 30 June 2016	
	Interest rate		Interest rate		Interest rate	
	%	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*
Floating rate borrowings:						
Bank borrowings	PRIME rate/ PRIME rate + 0.5%	2,454	PRIME rate	1,017	PRIME rate	804

At 31 March 2015, 2016 and 30 June 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profit for the year/period and retained earnings by approximately HK$20,000, HK$8,000 and HK$7,000 respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period. The analysis is performed on the same basis during the Track Record Period.

(d) Currency risk

The Group mainly operated in Hong Kong with most of the transactions settled in HK$ and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(e) Price risk

The Group is exposed to price changes arising from financial instruments classified as available-for-sale financial assets.

All of the Group's unquoted investments are held for short to medium term strategic purposes. Their performances are assessed against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's strategic plans.

The sensitivity analysis on price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's price. If the prices of the respective financial instruments had been 1% higher/lower, profit for the year/period would increase/decrease by approximately HK$69,000, HK$32,000 and HK$19,000 for the years ended 31 March 2015 and 2016, and the three months ended 30 June 2016 respectively.

(f) Fair value

Due to the short term nature, the carrying value of financial instruments not measured at fair value as detailed in note 28(g) approximates fair value.

The following table provides an analysis of financial instruments carried at fair value by level of the Fair Value Hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2015				
Available-for-sale financial assets at fair value	5,984	2,317	—	8,301
At 31 March 2016				
Available-for-sale financial assets at fair value	1,628	2,175	—	3,803
At 30 June 2016				
Available-for-sale financial assets at fair value	—	2,228	—	2,228

The fair value of available-for-sale financial assets was determined based on the quoted market price on active markets by the brokers.

There were no transfers of financial asset or financial liability between Level 1 and Level 2 of the Fair Value Hierarchy during the Track Record Period.

(g) Summary of financial assets and liabilities by category

The carrying amounts presented in the combined statements of financial position related to the following categories of financial assets and financial liabilities:

	As at 31 March		As at
	2015	2016	30 June 2016
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Available-for-sale financial assets:			
Available-for-sale financial assets at fair value	8,301	3,803	2,228
Loans and receivables (including cash and cash equivalents):			
Trade receivables	4,708	5,306	4,798
Deposits and other receivables	77	73	76
Amounts due from directors	1,877	1,786	2,485
Pledged bank deposits	2,696	468	468
Cash and bank balances	21,946	26,305	28,314
	39,605	37,741	38,369
Financial liabilities			
Financial liabilities measured at amortised cost:			
Trade payables	1,288	1,127	663
Accruals and other payables	6,446	765	2,389
Amount due to a director	184	—	—
Bank borrowings	2,454	1,017	804
	10,372	2,909	3,856

29. EVENTS AFTER THE END OF TRACK RECORD PERIOD

The companies now comprising the Group underwent and completed the Group Reorganisation on 30 November 2016 in preparation for the Listing. Further details of the Group Reorganisation are set out in the section headed "History, Development and Reorganisation — Reorganisation" in the Prospectus.

On 19 December 2016, written resolutions of the shareholders of the Company were passed to approve the matters set out in "Appendix IV Statutory and General Information — Further information about our Group — 1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" in the Prospectus.

Pursuant to a resolution of the directors of MSL on 19 August 2016, an interim dividend of HK$10.0 million was declared to its then members for the year ending 31 March 2017. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not considered meaningful for the purpose of this report. The dividend was paid on 16 December 2016.

30. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2016.

Yours faithfully,

BDO Limited
Certified Public Accountants

Chiu Wing Cheung Ringo
Practising Certificate Number P04434
Hong Kong

The information set forth in this appendix does not form part of the Accountant's Report prepared by BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountant's Report set forth in Appendix I to this prospectus.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted combined net tangible assets of the Group prepared in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA is for illustrative purpose only, and is set out herein to provide the prospective investors with further illustrative financial information about how the Placing might have affected the combined net tangible assets of the Group attributable to owners of the Company after the completion of the Placing as if the Placing had taken place on 30 June 2016. Because of its hypothetical nature, this unaudited pro forma statement of adjusted combined net tangible assets of the Group may not give a true picture of the financial position of the Group had the Placing been completed on 30 June 2016 or at any future dates.

	Audited combined net tangible assets of the Group attributable to owners of the Company as at 30 June 2016	**Estimated net proceeds from the Placing**	**Unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company**	**Unaudited pro forma adjusted combined net tangible assets per Share**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*
Based on Placing Price of HK$0.23 per Placing Share	27,563	27,788	55,351	0.08
Based on Placing Price of HK$0.27 per Placing Share	27,563	34,664	62,227	0.09

Notes:

1. The audited combined net tangible assets of the Group attributable to owners of the Company as at 30 June 2016 are based on the audited combined net assets of the Group attributable to owners of the Company as at 30 June 2016 of approximately HK$27,563,000 as shown in the Accountant's Report set out in Appendix I to this prospectus.

2. The estimated net proceeds from the Placing are based on 180,000,000 Placing Shares and the Placing Price of lower limit and upper limit of HK$0.23 and HK$0.27 per Placing Share, respectively, after deduction of the underwriting fees and related expenses payable and borne by the Company which have not been reflected in the audited combined net tangible assets of the Group as at 30 June 2016. No account has been taken of any Share which may be issued upon the exercise of any option that may be granted under the Share Option Scheme.

3. The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 720,000,000 Shares in issue immediately following the completion of the Placing and the Capitalisation Issue, without taking into account of any Share which may be issued pursuant to the exercise of any option that may be granted under the Share Option Scheme or any Share which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchases of Shares referred to in Appendix IV to this prospectus.

4. No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2016, including, among others, the interim dividend of HK$10.0 million declared on 19 August 2016.

   Had the interim dividend of HK$10.0 million been taken into account, the unaudited pro forma adjusted combined net tangible assets of the Group attributable to owners of the Company would be decreased by the same amount, and the unaudited pro forma adjusted combined net tangible assets per Share would be decreased by HK$0.01 based on 720,000,000 Shares as mentioned in note 3 above.

(B) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from our reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of inclusion in this prospectus, in respect of the unaudited pro forma financial information of our Group.

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The Board of Directors
OOH Holdings Limited

23 December 2016

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of OOH Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted combined net tangible assets as at 30 June 2016 and the related notes as set out in Appendix II on pages II-1 to II-2 to the prospectus dated 23 December 2016 issued by the Company in connection with the initial listing of the shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are set out in Appendix II on pages II-1 to II-2.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed placing of the Company's shares on the Group's financial position as at 30 June 2016 as if the proposed placing had taken place on the same date. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's financial statements for the three months ended 30 June 2016 on which an accountant's report has been issued.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or a review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

a. the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

b. such basis is consistent with the accounting policies of the Group; and

c. the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

BDO Limited
Certified Public Accountants

Chiu Wing Cheung Ringo
Practising Certificate Number P04434
Hong Kong

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 28 June 2016 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "**Companies Law**"). The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "**Memorandum**") and its Amended and Restated Articles of Association (the "**Articles**").

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, *inter alia*, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 19 December 2016. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares.

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) ***Alteration of capital***

The Company may by ordinary resolution of its members:

(i) increase its share capital by the creation of new shares;

(ii) consolidate all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) sub divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) ***Transfer of shares***

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) *Power of the Company to purchase its own shares*

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

(vi) ***Power of any subsidiary of the Company to own shares in the Company***

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) ***Calls on shares and forfeiture of shares***

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

(i) *Appointment, retirement and removal*

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he resigns by notice in writing delivered to the Company;

(bb) he becomes of unsound mind or dies;

(cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) he is prohibited from being a director by law; or

(ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) *Power to allot and issue shares and warrants*

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine), or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) ***Power to dispose of the assets of the Company or any of its subsidiaries***

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) ***Borrowing powers***

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) ***Remuneration***

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) ***Compensation or payments for loss of office***

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) ***Loans and provision of security for loans to Directors***

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) ***Disclosure of interests in contracts with the Company or any of its subsidiaries***

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) ***Special and ordinary resolutions***

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given held in accordance with the Articles.

(ii) ***Voting rights and right to demand a poll***

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) ***Annual general meetings***

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

(iv) ***Notices of meetings and business to be conducted***

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and, in the case of special business, the general nature of that business.

In addition notice of every general meeting, must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers published daily and circulating generally in Hong Kong and in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of the remuneration of the directors and of the auditors;

(ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and (gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 19 July 2016.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within sixty (60) days of any change in such directors or officers.

(p) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(q) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

1. FURTHER INFORMATION ABOUT OUR GROUP

1.1 Incorporation of our Company in the Cayman Islands and registration of our Company under Part 16 of the Companies Ordinance

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 28 June 2016 with an authorised share capital of HK$100,000 divided into 10 million Shares (having a par value of HK$0.01 each).

Our Company has established a principal place of business in Hong Kong at Suite A5, 9th Floor, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Our Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 4 August 2016. Ms. Cheung (an executive Director) and Mr. Yau (the company secretary of our Company) have been appointed as the authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, we operate subject to the Companies Law and to the constitution comprising the Memorandum of Association and Articles of Association. A summary of certain provisions of our Company's constitution and relevant aspects of the Companies Law is set out in Appendix III to this prospectus.

1.2 Changes in the share capital of our Company

(a) *Change in authorised and issued share capital*

Our Company was incorporated on 28 June 2016 with an authorised share capital of HK$100,000 divided into 10 million shares of HK$0.01 each.

On 28 June 2016, one share of HK$0.01 was allotted and issued, nil paid, to Sharon Pierson (an officer of Codan Trust Company (Cayman) Limited, the provider of the registered office of our Company), which was transferred to BVI-Chau on the same date. On 28 June 2016, our Company further allotted and issued 999,999 Shares, nil paid, to BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung, and Mr. Yau.

By the share swap agreement dated 30 November 2016 and made between (among other parties) (i) MSBVI (as purchaser); (ii) our Company (as holding company of MSBVI); and (iii) Ms. Chau, AL Capital, Mr. da Silva, Mr. Yeung and Mr. Yau (as vendors), MSBVI agreed to acquire the entire issued share capital in MSL. In consideration of and in exchange for such acquisition, our Company (i) credited as fully paid the 1 million nil-paid Shares in issue; and (ii) issued 9 million new Shares to BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung and Mr. Yau in the proportion of 51.6%, 27.0%, 17.4%, 2.0% and 2.0% respectively, all credited as fully paid.

On 19 December 2016, our Company's authorised share capital was increased to HK$72,000,000 by the creation of 7,190,000,000 Shares pursuant to a resolution passed by our Shareholders referred to in paragraph 1.3 below and subject to the conditions contained therein.

Saved as disclosed above and in the paragraphs headed "History, Development and Reorganisation — Corporate History and Development — Establishment and major shareholding changes of the major members of our Group — Our Company", there has been no alteration in the share capital of our Company since its incorporation.

(b) ***Information as of the Latest Practicable Date and immediately after the Placing***

The following is a description of the authorised and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately prior to and following the completion of the Placing and the Capitalisation Issue:

Authorised share capital:		**HK$**
7,200,000,000	shares (having a par value of HK$0.01 each)	72,000,000
Issued and to be issued, fully paid or credited as fully paid:		
10,000,000	Shares in issue as at the date of this prospectus	100,000
530,000,000	Shares to be issued pursuant to the Capitalisation Issue	5,300,000
180,000,000	Shares to be issued under the Placing	1,800,000
720,000,000	Total	7,200,000

Assumptions

The above table assumes that the Placing becomes unconditional and Shares are issued pursuant to the Placing. It does not take into account of any Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme or of any Shares which may be issued or repurchased by our Company pursuant to the Issuing Mandate or Repurchase Mandate granted to our Directors as described below.

At the date of this prospectus, our Company had an authorised share capital of HK$72,000,000, divided into 7,200,000,000 Shares, and had an issued share capital of HK$100,000, divided into 10 million Shares, all fully paid or credited as fully paid.

Immediately following completion of the Placing and the Capitalisation Issue (but not taking into account of any Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), the authorised share capital of our Company remains to be HK$72,000,000 million divided into 7,200,000,000 Shares, of which 720,000,000 Shares will be issued fully paid or credited as fully paid, and 6,480,000,000 Shares will remain unissued.

Other than pursuant to the exercise of any options which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed above and in the paragraph headed "1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" below, there has been no alteration in the share capital of our Company since its incorporation.

(c) *Founder shares*

Our Company has no founder shares, management shares or deferred shares.

Other than pursuant to the exercise of any options which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders in the general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed above and in the paragraph headed "1.3 Resolutions in writing of our Shareholders passed on 19 December 2016" below, there has been no alteration in the share capital of our Company since its incorporation.

1.3 Resolutions in writing of our Shareholders passed on 19 December 2016

Pursuant to the written resolutions passed by all of our Shareholders on 19 December 2016 among others:

(a) the Memorandum of Association and the Articles were approved and adopted;

(b) the authorised share capital of our Company was increased from HK$100,000 to HK$72,000,000 by the creation of further 7,190,000,000 Shares;

(c) conditional on (A) the Listing Division of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Placing; (B) the Placing Price having been determined; (C) the execution and delivery of the Underwriting Agreement on or before the date as mentioned in this prospectus; (D) the obligations of the Underwriters under the Underwriting Agreement becoming and remaining unconditional and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:

(i) the Placing was approved and the Directors were authorised to allot and issue the Placing Shares pursuant to the Placing;

(ii) the rules of the Share Option Scheme (the principal terms of which are set forth in the paragraph headed "4. Share Option Scheme" of this appendix) were approved and adopted and the Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the Share Option Scheme;

(iii) conditional on the share premium account of our Company being credited as a result of the issue of new Shares under the Placing, our Directors were authorised to capitalise HK$5,300,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 530,000,000 Shares for allotment and issue to holders of Shares whose names appear on the register of members of our Company at the close of business on 19 December 2016 (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing holdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution should rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation;

(iv) a general unconditional mandate ("**Issuing Mandate**") was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, or scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles of Association, or pursuant to the exercise of any options which may be granted under the Share Option Scheme, or under the Placing or the Capitalisation Issue, or issue of Shares upon exercise of rights of subscription or conversion attaching to any warrants of our Company or any securities which are convertible into Shares, Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of our Company in issue and to be issued immediately following completion of the Placing and the Capitalisation Issue but excluding (where applicable) any Shares which may be issued pursuant to the exercise of options that may be granted under the Share Option Scheme and (bb) the aggregate nominal amount of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in sub-paragraph (v) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first;

(v) a general unconditional mandate ("**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to purchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued immediately following the completion of the Placing and the Capitalisation Issue but excluding (where applicable) any Shares which may be issued pursuant to the exercise of options that may be granted under the Share Option Scheme until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first; and

(vi) the extension of the general mandate to allot, issue and deal with Shares to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (iv) above; and

(d) our Company approved the form and substance of each of the service agreements made between the executive Directors and our Company, and the form and substance of each of the appointment letters made between each of the non-executive Director and the INEDs with our Company.

1.4 Further information about our Group's subsidiaries

Our Group has six wholly-owned subsidiaries incorporated in Hong Kong. A summary of the corporate information of these six companies as at the Latest Practicable Date is set out as follows:

(a) *Subsidiaries incorporated in Hong Kong*

(i)	Full name of company	Media Savvy Limited (傳廣通媒體有限公司)
	Date of incorporation	2 August 2004
	Registered office	Suite A5, 9th Floor, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
	Issued share capital	HK$10,000
	Number of issued shares	10,000
	Shareholder	MSBVI (100%)
	Principal business activity	Investment holding
(ii)	Full name of company	Media Savvy Marketing Limited (傳廣通媒體推廣有限公司)
	Date of incorporation	30 May 2006
	Registered office	Suite A5, 9th Floor, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
	Issued share capital	HK$100
	Number of issued shares	100
	Shareholder	MSL (100%)
	Principal business activity	Provision of advertising business
(iii)	Full name of company	Media Savvy In-Store Media Limited (傳廣通藥房媒體有限公司)
	Date of incorporation	24 February 2009
	Registered office	Suite A5, 9th Floor, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
	Issued share capital	HK$10,000
	Number of issued shares	10,000
	Shareholder(s)	MSL (52.5%) MedicSML (47.5%)
	Principal business activity	inactive and no business operation

(iv)	Full name of company	Media Savvy Healthcare Media Limited (傳廣通醫療媒體有限公司)
	Date of incorporation	5 July 2007
	Registered office	Suite A5, 9th Floor, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
	Issued share capital	HK$10,000
	Number of issued shares	10,000
	Shareholder(s)	MSL (52.5%) MedicSML (47.5%)
	Principal business activity	inactive and no business operation
(v)	Full name of company	Medic Savvy Media Limited (醫思維媒體有限公司)
	Date of incorporation	27 June 2007
	Registered office	Suite A5, 9th Floor, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
	Issued share capital	HK$10,000
	Number of issued shares	10,000
	Shareholder(s)	MSL (100%)
	Principal business activity	inactive and no business operation
(vi)	Full name of company	A1 Advertising & Production Company Limited
	Date of incorporation	11 September 2008
	Registered office	Suite A5, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
	Issued share capital	HK$10,000
	Number of issued shares	10,000
	Shareholder(s)	MSL (52.5%) MedicSML (47.5%)
	Principal business activity	inactive and no business operation

1.5 Reorganisation

The companies comprising our Group underwent the Reorganisation to rationalise our Group's structure in preparing for the Listing. Please refer to the section headed "History, Development and Reorganisation — Reorganisation" of this prospectus for further details.

(a) ***Incorporation of overseas companies by the shareholders of MSL***

(i) Each of Ms. Chau and Mr. da Silva acquired and activated a BVI investment vehicle (i.e. the BVI Inv Vehicles), brief particulars of which are set out below, for holding their respective shares in our Company

Name of BVI Inv Vehicle	Sole shareholder of BVI Inv Vehicle
Goldcore Global Investments Limited	Ms. Chau
Silver Pro Investments Limited	Mr. da Silva

(ii) The subscription price of each issued share in each BVI Inv Vehicle is its par value (i.e. US$1). Each of Ms. Chau and Mr. da Silva owned the entire issued shares in their respective BVI Inv Vehicle from the above date of its incorporation (or, as the case may be, activation) and up to the Latest Practicable Date.

(b) ***Incorporation of our Company and MSBVI***

(i) On 28 June 2016, our Company was incorporated in the Cayman Islands as an exempted company. Its initial authorised share capital is HK$100,000 divided into 10 million shares of HK$0.01 each. On 28 June 2016, one Share was issued to Sharon Pierson (an officer of Codan Trust Company (Cayman) Limited, the provider of the registered office of our Company), which was transferred to BVI-Chau on the same date.

(ii) On 28 June 2016, our Company further allotted and issued 999,999 Shares, all nil-paid, to BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung, and Mr. Yau. Brief details of the shareholders of our Company immediately following such transfer and subscriptions are shown below:

Subscriber	No. of Shares subscribed and held	Shareholding percentage (%)
BVI-Chau	516,000 *(Note)*	51.6%
AL Capital	270,000	27.0%
BVI-da Silvia	174,000	17.4%
Mr. Yeung	20,000	2.0%
Mr. Yau	20,000	2.0%
Total:	1,000,000	100%

Note: Inclusive of one subscriber share transferred from Sharon Pierson.

(iii) MSBVI was incorporated in the BVI on 5 July 2016. It is initially authorised to issue a maximum of 50,000 shares of a single class of US$1 par value each. On 5 July 2016, 100 shares in MSBVI were issued to our Company, and the aggregate subscription price was US$100 which was equal to the aggregate value of the shares issued.

(c) *Transferring the entire issued share capital in MSL to MSBVI*

Pursuant to an agreement dated 30 November 2016 entered into between (i) MSBVI (as purchaser), (ii) our Company (as the holding company of MSBVI); (iii) Ms. Chau, AL Capital, Mr. da Silva, Mr. Yeung and Mr. Yau (as vendors); and (iv) BVI-Chau and BVI-da Silva (as nominees of Ms. Chau and Mr. da Silva to hold the consideration Shares), Ms. Chau, AL Capital, Mr. da Silva, Mr. Yeung and Mr. Yau agreed to sell, and MSBVI agreed to acquire the entire issued share capital in MSL. In consideration of and in exchange for such acquisition, our Company:

(i) credited as fully paid the 1 million nil-paid Shares in issue (as mentioned in sub-paragraph (b)(ii) above), and

(ii) issued 9,000,000 new Shares to BVI-Chau, AL Capital, BVI-da Silva, Mr. Yeung and Mr. Yau in the proportion of 51.6%, 27.0%, 17.4%, 2.0% and 2.0% respectively, all credited as fully paid.

The transfer was properly and legally completed on 30 November 2016.

1.6 Changes in share capital of the subsidiaries

The subsidiaries are listed in the accountant's report set out in Appendix I to this prospectus.

Save for the alterations described in paragraph 1.2 and 1.5 above, there was no alteration in the share capital of the subsidiaries which took place within two years immediately preceding the date of this prospectus.

1.7 Repurchases by our Company of our own securities

This paragraph sets out information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) *Provisions of the GEM Listing Rules*

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) *Shareholders' approval*

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of our Company and the GEM Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, under the Companies Laws any repurchases by our Company may be made out of our Company's profits, out of our Company's share premium account, out of the proceeds of a new issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Laws, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of profits or from sums standing to the credit of our Company's share premium account or, if authorised by the Articles, and subject to the Companies Laws, out of capital.

(iii) *Trading Restrictions*

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring our Company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The GEM Listing Rules also prohibit a listed company from repurchasing its securities which would result in the number of the listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) *Status of repurchased shares*

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) *Suspension of repurchase*

A listed company shall not make any repurchase of securities on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of a listed company's results for any year, half year, quarterly or any other interim period (whether or not required under the GEM Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the GEM Listing Rules.

(vi) *Reporting requirements*

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(vii) *Core connected persons*

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or Substantial Shareholder of our Company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to our Company.

(b) *Reasons for repurchases*

Our Directors believe that the ability to repurchase Shares is in the interests of our Company and our Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors have sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

(c) *Funding of repurchases and impact on working capital or gearing position*

In repurchasing securities, our Company may only apply funds lawfully available for such purpose in accordance with its Memorandum of Association and Articles of Association, the GEM Listing Rules and the applicable laws of the Cayman Islands.

There could be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate were to be carried out in full at any time during the share repurchase period.

However, our Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(d) *General*

The exercise in full of the Repurchase Mandate, on the basis of 720,000,000 Shares in issue immediately following the completion of the Placing and the Capitalisation Issue but excluding (where applicable) any Share which may be issued pursuant to the exercise of options that may be granted under the Share Option Scheme, could accordingly result in up to approximately 72,000,000 Shares being repurchased by our Company during the period prior to the earliest occurrence of any of the following:

(i) the conclusion of our next annual general meeting; or

(ii) the end of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate. Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the GEM Listing Rules requirements regarding the public shareholding. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

2.1 Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are or may be material:

(a) an agreement dated 30 November 2016 and entered into between (i) MSBVI (as purchaser); (ii) our Company (as holding company of MSBVI); (iii) Ms. Chau, AL Capital, Mr. da Silva, Mr. Yeung and Mr. Yau (as vendors); and (iv) BVI-Chau and BVI-da Silva (as nominees of Ms. Chau and Mr. da Silva to hold the consideration Shares), pursuant to which Ms. Chau, AL Capital, Mr. da Silva, Mr. Yeung and Mr. Yau agreed to sell the entire issued share capital in MSL to MSBVI and were settled in the manner as mentioned in paragraph 1.5(c) of this Appendix IV, and certain non-compete undertakings were also given by our Controlling Shareholders in favour of our Company (brief details of which are set out in the paragraph headed "Relationship with Controlling Shareholders — Competition and Conflict of Interests — Undertakings given by Controlling Shareholders" of this prospectus);

(b) a deed of indemnity dated 19 December 2016 executed by our Controlling Shareholders in favor of our Company (for ourselves and as trustee for our subsidiaries stated therein) containing the indemnities more particularly referred to in the paragraph headed "5. Estate Duty, Tax and Other Indemnities" of this Appendix; and

(c) the Underwriting Agreement.

2.2 Intellectual property rights of our Group

As at the Latest Practicable Date, we had registered or had applied for the registration of the following intellectual property rights.

(a) *Trademarks*

As at the Latest Practicable Date, our Group had applied for registration of the following trademark:

Trademark	Name of Applicant	Application number	Place of Application	Class	Date of Application
MEDIA SAVVY	MSML	303807216	Hong Kong	35 and 42	15 June 2016

Note:

Class 35: Advertising.

Class 42: Design service.

(b) *Domain Names*

As at the Latest Practicable Date, members of our Group had registered the following domain names which are material to our business:

	Domain name	Registrant	Date of registration	Expiry date
1.	http://www.mediasavvy.com.hk/	MSL	10 August 2004	11 August 2017
2.	http://www.ooh.com.hk	MSML	22 August 2016	22 August 2019

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Disclosure of Interests

(a) ***Interests and short position of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and the associated corporations***

Immediately following the completion of the Placing and the Capitalisation Issue and without taking into account any Shares which may be issued pursuant to the exercise of the Share Option Scheme, the interests or short positions of our Directors and the chief executive of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our 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 will be required, pursuant to Section 352 of the SFO, to be entered into in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the GEM Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed will be as follows:

Name of Director	Nature of interest/Capacity	Relevant company (including associated corporations)	Number of shares (or, as the case may be, amount of registered capital) in the relevant company	Approximate percentage of shareholding
Ms. Chau	Interest of a controlled corporation	Our Company *(Note 1)*	278,640,000	38.70%
Mr. da Silva	Interest of a controlled corporation	Our Company *(Note 2)*	93,960,000	13.05%

Notes:

1. All issued shares in BVI-Chau are solely owned by Ms. Chau. Upon completion of the Placing and the Capitalisation Issue, BVI-Chau will directly hold 278,640,000 Shares. By virtue of the SFO, Ms. Chau is deemed to be interested in the Shares held by BVI-Chau.

2. All issued shares of BVI-da Silva are solely owned by Mr. da Silva. Upon completion of the Placing and the Capitalisation Issue, BVI-da Silva will directly hold 93,960,000 Shares. By virtue of the SFO, Mr. da Silva is deemed to be interested in the Shares held by BVI-da Silva.

Save as disclosed in the sections headed "History, development and reorganisation", "Relationship with Controlling Shareholders" and the paragraph headed "3.2. Directors' service contracts and letters of appointment" in this Appendix in this prospectus, none of our Directors or their close associates was engaged in any dealings with our Group during the two years preceding the date of this prospectus.

(b) *Interests of our Substantial Shareholders*

So far as is known to any Director or chief executive of our Company, immediately following the completion of the Placing and the Capitalisation Issue and without taking into account any Shares which may be issued pursuant to the exercise of the Share Option Scheme, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Immediately after completion of the Placing and Capitalisation Issue

	Immediately after completion of the Placing and Capitalisation Issue		
Name	**Number of Shares[(1)]**	**Approximate percentage of shareholding**	**Capacity/Nature of interest**
BVI-Chau[(2)]	278,640,000 (L)	38.70%	Beneficial owner
Ms. Chau[(2)]	278,640,000 (L)	38.70%	Interest in a controlled corporation
AL Capital[(3)]	145,800,000 (L)	20.25%	Beneficial owner
Mr. Anthony Lau[(3)]	145,800,000 (L)	20.25%	Interest in a controlled corporation
BVI-da Silva[(4)]	93,960,000 (L)	13.05%	Beneficial owner
Mr. da Silva[(4)]	93,960,000 (L)	13.05%	Interest in a controlled corporation
Ms. Chu Sau Kuen Jeanny	93,960,000 (L)	13.05%	Interest of spouse (spouse of Mr. da Silva)

Notes:

(1) The letter "L" denotes the entity/person's long position in the Shares.

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

(3) The entire issued share capital of AL Capital is solely owned by Mr. Anthony Lau. Accordingly, Mr. Anthony Lau is deemed to be interested in all the Shares held by AL Capital by virtue of the SFO.

(4) All issued shares in BVI-da Silva 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 BVI-da Silva by virtue of the SFO.

3.2 Directors' service contracts and letters of appointment

Executive Directors

Each of our executive Directors has entered into a service contract with our Company pursuant to which he/she agreed to act as an executive Director for an initial term of three years with effect from 19 December 2016.

Each of our executive Directors is entitled to a basic salary as set out below (subject to an annual increment of not more than 10% of the annual salary immediately prior to such increase after 31 December 2016 at the discretion of our Directors). In addition, each of the executive Directors is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of our Company may not exceed 10% of the audited combined audited net profit of our Group (after taxation, minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of our Company. An executive Director may not vote on any resolution of our Directors regarding the amount of the management bonus payable to him. The current basic annual salaries of our executive Directors are as follows:

Name	**Annual salary**
	(HK$)
Ms. Chau	839,400
Ms. Cheung	300,000
Mr. Lean	420,000

Non-executive Director and INED

Each of our INEDs and Mr. da Silva (a non-executive Director) has entered into a letter of appointment with our Company pursuant to which he/she has been appointed for an initial term of three years commencing from 19 December 2016. Mr. da Silva is not entitled to any director's fee, and Ms. Au Shui Ming Anna, Mr. Liang Man Kit Jerry and Mr. Ho Alfred Chak Wai are entitled to a director's fee of HK$120,000, HK$96,000 and HK$96,000 respectively per annum. Save for our Directors' fees, none of the non-executive Director and our INEDs are expected to receive any other remuneration for holding their respective offices.

3.3 Directors' and senior management's remuneration

(i) The aggregate emoluments paid and benefits in kind granted by our Group to our Directors in respect of the two financial years ended 31 March 2015 and 2016, and the three months ended 30 June 2016 were approximately HK$3.1 million, HK$2.2 million and HK$0.6 million respectively. The aggregate emoluments paid and benefits in kind granted by our Group to our senior management (excluding our Directors) in respect of the two financial years ended 31 March 2015 and 2016 and the three months ended 30 June 2016 were approximately HK$0.70 million, HK$0.82 million and HK$0.20 million respectively.

(ii) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including our INEDs in their respective capacity as Directors) for the year ending 31 March 2017 are expected to be approximately HK$2.2 million.

(iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the two years ended 31 March 2016 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

(iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two years ended 31 March 2016.

3.4 Disclaimers

(a) Save as disclosed in the paragraph headed "3.1 Disclosure of interests — (a) Interests and short positions of our Directors and the chief executive in the shares, underlying shares or debentures of our Company and the associated corporations" above, none of our Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed on the Stock Exchange;

(b) save as disclosed in the paragraph headed "3.1 Disclosure of interests — (b) Interests of our Substantial Shareholders" in this appendix and in the section headed "Substantial Shareholders" above in this prospectus, so far as is known to any Director or chief executive of our Company, no person (other than a Director or chief executive of our Company) has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group once the Shares are listed on the Stock Exchange;

(c) save as disclosed in the sections headed "History, Development and Reorganisation"/paragraph 1.5 of this Appendix IV and "Relationship with Controlling Shareholders" in this prospectus, none of our Directors nor any of the persons listed in "6.6 Qualification of experts" below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(d) save as disclosed in sections headed "History, Development and Reorganisation"/ paragraph 1.5 of this Appendix IV and "Relationship with Controlling Shareholders" in this prospectus, none of our Directors is materially interested in any contract or arrangement with he Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of our Group;

(e) save in connection with Underwriting Agreement, none of the persons listed in the paragraph headed "6.6 Qualification of experts" below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

(f) save for the Underwriting Agreement, none of the persons listed in the paragraph headed "6.6 Qualification of experts" below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(g) save as disclosed in "3.2 Directors' service contracts and letters of appointment" above, none of our Directors has entered or has proposed to enter into any service agreements or letters of appointment with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation);

(h) so far as is known to our Directors, none of our Directors or their close associates or any Shareholder (which to the knowledge of our Directors owns 5% or more of the issued share capital of our Company) has any interest in any of the five largest customers or the five largest suppliers of our Group during the Track Record Period; and

(i) none of our Directors are interested in any business apart from our Group's business which competes or is likely to compete, directly or indirectly, with the business of our Group.

4. SHARE OPTION SCHEME

4.1 Summary of terms

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by a resolution in writing passed by our then Shareholders on 19 December 2016:

(i) ***Purposes of the scheme***

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, the Directors and other selected participants for their contributions to our Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(ii) ***Who may join***

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

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

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

(c) any supplier of goods or services to any member of our Group or any Invested Entity;

(d) any customer of any member of our Group or any Invested Entity;

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

(f) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;

(g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity;

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

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

For avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the above class of participants to an offer for the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of our Group.

(iii) ***Maximum number of the Shares***

(a) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by our Group must not in aggregate exceed 30% of the share capital of our Company in issue from time to time.

(b) The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date, being 72,000,000 Shares ("**General Scheme Limit**").

(c) Subject to (a) above but without prejudice to (d) below, our Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to the Shareholders shall contain, among other information, the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.

(d) Subject to (a) above and without prejudice to (c) above, our Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in (c) above to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to the Shareholders containing a generic description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.

(iv) ***Maximum entitlement of each participant***

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being ("**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders in general meeting of our Company with such grantee and his close associates abstaining from voting. Our Company must send a circular to the Shareholders and the circular must disclose the identity of the participant, the number and terms of the options to be granted (and options previously granted to such participant), the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 23.03(9) of the GEM Listing Rules.

(v) ***Grant of options to the Directors, chief executive or Substantial Shareholders of our Company or their respective close associates***

(a) Any grant of options under the Share Option Scheme to a Director, chief executive or Substantial Shareholder of our Company or any of their respective close associates must be approved by INEDs (excluding the INED who or whose close associates is the proposed grantee of the options).

(b) Where any grant of options to a Substantial Shareholder or an INED or any of their respective close associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(pp) representing in aggregate over 0.1% of the Shares in issue; and

(qq) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HK$5 million;

such further grant of options must be approved by Shareholders in general meeting. Our Company must send a circular to the Shareholders. All connected persons of our Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a Substantial Shareholder or an INED or any of their respective close associates must be approved by the Shareholders in general meeting.

(vi) ***Time of acceptance and exercise of option***

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(vii) ***Performance targets***

Unless the Directors otherwise determined and stated in the offer for the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

(viii) ***Subscription price for the Shares and consideration for the option***

The subscription price for the Shares under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

(ix) *Ranking of the Shares*

(aa) The Shares allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles of Association of our Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been entered on the register of members of our Company as the holder thereof.

(bb) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of our Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or re-construction of the share capital of our Company from time to time.

(x) *Restrictions on the time of the offer for the grant of options*

No offer for grant of options shall be made after inside information has come to our Company's knowledge until we have announced the information. In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules), and (bb) the deadline for our Company to publish an announcement of its results for any year, half-year, or quarterly or any other interim period (whether or not required under the GEM Listing Rules) and ending on the date of the results announcement, no option for the grant of options may be made.

The Directors may not make any offer for the grant of option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in Shares pursuant to Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(xi) ***Period of the Share Option Scheme***

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

(xii) ***Rights on ceasing employment***

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in sub-paragraph (xiv) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and shall not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not.

"Eligible Employee" means any employee (whether full time or part time employee, including any executive director but not any non-executive director) of our Company, any of our subsidiaries or any Invested Entity.

(xiii) ***Rights on death, ill-health or retirement***

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

(xiv) ***Rights on dismissal***

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or our Group or the Invested Entity into disrepute), his option (to the extent not already exercised) will lapse automatically on the date of cessation to be an Eligible Employee.

(xv) ***Rights on breach of contract***

If the Directors shall at their absolute discretion determine that (aa) (1) the grantee of any option (other than an Eligible Employee) or his close associate has committed any breach of any contract entered into between the grantee or his close associate on the one part and our Group or any Invested Entity on the other part; or (2) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by other reason whatsoever; and (bb) the option granted to the grantee under the Share Option Scheme shall lapse as a result of any event specified in sub-paragraph (1), (2) or (3) above, his option will lapse automatically on the date on which the Directors have so determined.

(xvi) ***Rights on a general offer, a compromise or arrangement***

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme or arrangement is formally proposed to Shareholders of our Company, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company in exercise of his option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed or the relevant date for entitlements under such scheme of arrangement, as the case may be.

(xvii) ***Rights on winding up***

In the event of a resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to our Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and our Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one business day before the date on which such resolutions to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of our Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of our Company.

(xviii) ***Grantee being a company wholly owned by eligible participants***

If the grantee is a company wholly owned by one or more eligible participants:

(aa) sub-paragraphs (xii), (xiii), (xiv) and (xv) shall apply to the grantee and to the options to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant eligible participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (xii), (xiii), (xiv) and (xv) shall occur with respect to the relevant eligible participant; and

(bb) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant eligible participant provided that the Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(xix) ***Adjustments to the subscription price***

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of our Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to our Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the Share Option Scheme and the options so far as unexercised and/or the option price of the option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration; (ii) the issue of Shares or other securities of our Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iv) notwithstanding (i) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in the accounting standards in adjusting the earnings per share figures and any such adjustment shall comply with the supplementary guidance on Rule 23.03(13) of the GEM Listing Rules as set out in the letter issued by the Stock Exchange dated 5 September 2005; and (v) any adjustment must be made in compliance with the GEM Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

(xx) ***Cancellation of options***

Any cancellation of options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of the Directors.

When our Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant sub-paragraphs (iii) (cc) and (dd) above.

(xxi) ***Termination of the Share Option Scheme***

Our Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(xxii) ***Rights are personal to the grantee***

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreements so to do.

(xxiii) ***Lapse of option***

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

(a) the expiry of the option period in respect of such option;

(b) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvi), (xvii) and (xviii); and

(c) the date on which the Directors exercise our Company's right to cancel the option by reason of a breach of paragraph (xxii) above by the grantee.

(xxiv) ***Miscellaneous***

(a) The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.

(b) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders in general meeting.

(c) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

(d) The terms of the Share Option Scheme and any amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

(e) Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the shareholders of our Company in general meeting.

4.2 Present status of the Share Option Scheme

(i) ***Approval of the Listing Committee required***

The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.

(ii) *Application for approval*

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares to be issued within the General Scheme Limit pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(iii) *Grant of options*

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

(iv) *Value of options*

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

(v) *Compliance with GEM Listing Rules*

The Share Option Scheme complies with Chapter 23 of the GEM Listing Rules.

5. ESTATE DUTY, TAX AND OTHER INDEMNITIES

Our Controlling Shareholders (the "**Indemnifiers**") have entered into a deed of indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the material contract (b) referred to in the paragraph headed "2.1 Summary of material contracts" in this appendix) to provide indemnities on a joint and several basis, in respect of, among other matters:

(a) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group at any time on or before the Listing; and

(b) tax liabilities (including all actual fines, penalties, liabilities, costs, charges, expenses and interest relation to taxation) which might be payable by any member of our Group in respect of any income, profits, gains earned, accrued, received on or before the Listing Date, or any transactions, events, matters or things entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not the tax liabilities are chargeable against or attributable to any other person, firm, company or corporation.

The Indemnifiers are under no liability under the deed of indemnity in respect of any taxation:

(a) to the extent that provision or reserve has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 30 June 2016;

(b) to the extent that such taxation or liability falling on any of the members of our Group in respect of their accounting periods commencing on 1 July 2016 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction carried out, made or entered into pursuant to a legally binding commitment created on or before 30 June 2016 or pursuant to any statement of intention made in the prospectus; or

(c) to the extent that such taxation liabilities or claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department, or any other relevant authority (whether in Hong Kong or any other part of the world) coming into force after the date of the deed of indemnity or to the extent such taxation claim or liability for such taxation arises or is increased by an increase in rates of taxation or claim after the date of the deed of indemnity with retrospective effect; or

(d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 30 June 2016 which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the deed of indemnity, each of the Indemnifiers has also undertaken to us that she/it will indemnify and at all times keeps us fully indemnified, on a joint and several basis, from any depletion in or reduction in value of its assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which any member of our Group may incur or suffer arising from or in connection with the implementation of the Reorganisation.

Pursuant to the deed of indemnity, the Indemnifiers have on a joint and several basis undertaken to indemnify each member of our Group, among other indemnities against:

(a) any costs, claims, damages, expenses, losses, penalties, liabilities, actions and proceedings which such member of our Group may incur, suffer, accrue, directly or indirectly, from any act of such company arising from or in connection with any non-compliance of such company on or before the date of Listing, including not having paid all requisite tax or obtained all relevant or necessary approvals, permits, licenses and/or certificates for conducting its businesses, including but not limited to the non-compliances as disclosed in this prospectus or all litigation, arbitration, claims, counter-claims, actions, complaints, demands, judgments and/or legal proceedings by or against any of the members of our Group which was issued, accrued and/or arising from any act of any of such members at any time on or before the date of Listing; and

(b) any penalty which may be imposed on any member of our Group, or any costs, expenses and losses which such company may suffer in connection with such penalty, due to such company's failure to duly make all relevant filings or reports and supply all other information required to be supplied to any relevant governmental authority, including but not limited to the relevant tax bureau and relevant administration of industry and commerce, or to observe any laws, regulations or rules in this regard;

(c) any costs, claims, damages, expenses, losses, penalties, liabilities, actions and proceedings arising from the relocation by such member arising from or in connection with the lessors' lack of relevant title certificates or documents or the lessors' registration default in relation to the lease agreements to the extent that damages, if any, recovered from the relevant lessor are inadequate to cover the related costs of such member.

The provisions contained in the deed of indemnity are conditional on the conditions stated in the section headed "Structure of the Placing — Conditions of the Placing" in this prospectus being fulfilled or, to the extent permitted, waived by the relevant party. If such conditions are not fulfilled or, to the extent permitted, waived on or before the date falling 30 days from the date of this prospectus, or such later date as the parties under the deed of indemnity may agree, the deed of indemnity shall become null and void and cease to have effect.

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands or the BVI is likely to fall on our Group members.

6. OTHER INFORMATION

6.1 Sponsor

The Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Placing and any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Sponsor is independent from our Company pursuant to Rule 6A.07 of the GEM Listing Rules. The sponsor's fees payable by us in respect of BOSC International Company Limited's services as sole sponsor for the Listing is HK$4 million (excluding any disbursements).

6.2 Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Group member, that would have a material adverse effect on our results of operations or financial condition of our Group.

6.3 Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK$43,000 and are payable by our Company.

6.4 Promoters

Our Company has no promoter for the purpose of the GEM Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Placing and the related transactions described in this prospectus.

6.5 Agency fees or commissions received

Except as disclosed in the section headed "Underwriting — Commission and Expenses" in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

6.6 Qualifications of experts

The qualifications of the experts who have given opinions and/or whose names are included in this prospectus are as follows:

Name	Qualification
BOSC International Company Limited	a corporation licensed by the SFC to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities under the SFO
BDO Limited	Certified Public Accountants
Chan Chung	Barrister-at-law in Hong Kong
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
China Insights Consultancy Limited	Independent industry consultants
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer

6.7 Consents of experts

Each of the experts referred to in “6.6 Qualifications of experts” above, has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

6.8 Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (WUMP) Ordinance insofar as applicable.

6.9 Taxation of holders of Shares

(a) *Hong Kong*

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) *Cayman Islands*

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfer of the Shares provided our Company does not hold interests in land in the Cayman Islands.

(c) *Consultation with professional advisers*

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Placing can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

6.10 Miscellaneous

(a) Within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital of our Company or any of the subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash, save as disclosed in the section headed "History, development and reorganisation" in this prospectus;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) neither our Company nor any of the subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;

(iv) no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares;

(v) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(vi) our Company has no outstanding convertible debt securities.

(b) Our principal register of members will be maintained by our principal registrar, Codan Trust Company (Cayman) Limited, in the Cayman Islands and our Hong Kong branch register of members will be maintained by our Hong Kong Branch Share Registrar in Hong Kong, Tricor Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS.

(c) Our Directors confirm that up to the date of this prospectus, there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2016 (being the date to which the latest audited combined financial statements of our Group were made up).

(d) No company within our Group is presently listed on any stock exchange or traded on any trading system.

(e) Our Directors have been advised that, under the Companies Law, the use of a Chinese name by our Company does not contravene the Companies Law.

(f) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

6.11 Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(A) the written consents referred to under "Appendix IV Statutory and General Information — 6.7 Consents of experts" in this prospectus; and

(B) copies of the material contracts referred to in "Appendix IV Statutory and General Information — 2.1 Summary of material contracts" in this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Li & Partners at 22/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong, during normal business hours from 9:00 a.m. up to 5:00 p.m. up to and including 11 January 2017:

(a) our Memorandum and Articles of Association;

(b) the Accountant's Report prepared by BDO Limited in respect of the historical financial information of our Group for the two years ended 31 March 2016, and the three months ended 30 June 2016, the text of which is set out in Appendix I to this prospectus;

(c) the audited financial statements of the companies now comprising our Group for each of the two years ended 31 March 2016 (or for the period since their respective dates of incorporation, where it is shorter), if any;

(d) the report on the unaudited pro forma financial information of our Group prepared by BDO Limited, the text of which is set out in Appendix II to this prospectus;

(e) the Companies Law;

(f) the letter of advice prepared by Conyers Dill & Pearman, summarising certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;

(g) the material contracts referred to in the section headed "Appendix IV Statutory and General Information — 2.1 Summary of material contracts" in this prospectus;

(h) the written consents referred to in the section headed "Appendix IV Statutory and General Information — 6.7 Consents of experts" in this prospectus;

(i) the rules of the Share Option Scheme;

(j) the service contracts and appointment letters referred to in "Appendix IV Statutory and General Information — 3.2 Directors' service contracts and letters of appointment" in this prospectus;

(k) the industry report issued by China Insights Consultancy Limited, the independent industry consultants;

(l) the rental opinion letter prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited; and

(m) the legal opinion issued by our Hong Kong Legal Counsel.

OOH Holdings Limited
奧傳思維控股有限公司