



# OOH Holdings Limited 奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 8091

## INTERIM REPORT 2017 / 18

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

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

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and six months period ended 30 September 2017, together with the unaudited comparative figures for the corresponding periods in 2016 (the “**Financial Information**”), as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months period ended 30 September 2017

	Notes	For the three months period ended 30 September		For the six months period ended 30 September	
		2017	2016	2017	2016
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
<b>Revenue</b>	3	13,271	17,965	26,430	32,752
Cost of sales		(8,290)	(9,635)	(16,147)	(17,581)
<b>Gross profit</b>		4,981	8,330	10,283	15,171
Other income and gains, net	4	52	43	205	473
Selling expenses		(1,536)	(1,335)	(3,433)	(2,652)
Administrative expenses		(2,737)	(1,816)	(5,125)	(3,259)
Listing expenses		—	(5,312)	—	(10,111)
Finance costs	5	—	(9)	—	(21)
<b>Profit/(Loss) before income tax</b>		760	(99)	1,930	(399)
Income tax expense	6	(204)	(945)	(457)	(1,621)
<b>Profit/(Loss) for the period</b>		556	(1,044)	1,473	(2,020)
<b>Other comprehensive income</b>					
<i>Item that may be reclassified to profit or loss:</i>					
Available-for-sale financial assets:					
Change in value		—	—	—	46
Reclassification adjustments for losses included in the consolidated statement of profit or loss		—	—	—	(173)
<b>Other comprehensive income for the period, net of tax</b>		—	—	—	(127)
<b>Total comprehensive income for the period</b>		556	(1,044)	1,473	(2,147)
<b>Earnings/(Loss) per share</b>		HK cents	HK cents	HK cents	HK cents
Basic and diluted	7	0.10	(0.19)	0.25	(0.37)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	3,547	210
		<b>3,547</b>	210
<b>Current assets</b>			
Trade receivables	10	4,699	4,724
Deposits, prepayments and other receivables		4,275	4,137
Amounts due from director		11	—
Tax recoverable		—	149
Pledged bank deposits		1,909	1,908
Cash and bank balances		58,342	59,787
		<b>69,236</b>	70,705
<b>Current liabilities</b>			
Trade payables	11	846	569
Accruals, deposits received and other payables		10,809	10,424
Amount due to a director		—	575
Tax payable		308	—
		<b>11,963</b>	11,568
<b>Net current assets</b>		<b>57,273</b>	59,137
<b>Net assets</b>		<b>60,820</b>	59,347
<b>CAPITAL AND RESERVES</b>			
Share capital		7,200	7,200
Reserves		53,620	52,147
<b>Total equity</b>		<b>60,820</b>	59,347

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 September 2017

	Share capital	Share premium*	Other reserve*	Available-for-sale financial assets reserve*	Retained earnings*	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>At 1 April 2016 (Audited)</b>	10	—	—	(94)	28,750	28,666
Loss for the period	—	—	—	—	(2,020)	(2,020)
<i>Other comprehensive income</i>						
Change in value of available-for-sale financial assets	—	—	—	(127)	—	(127)
Total comprehensive income for the period	—	—	—	(127)	(2,020)	(2,147)
Interim dividend (Note 8)	—	—	—	—	(10,000)	(10,000)
<b>At 30 September 2016 (Unaudited)</b>	10	—	—	(221)	16,730	16,519
<b>At 1 April 2017 (Audited)</b>	7,200	35,371	(90)	—	16,866	59,347
Profit for the period	—	—	—	—	1,473	1,473
<b>At 30 September 2017 (Unaudited)</b>	7,200	35,371	(90)	—	18,339	60,820

\* The total of these accounts represents "Reserves" in the consolidated statement of financial position.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 September 2017

	For the six months period ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
<b>Cash flow from operating activities</b>		
Profit/(Loss) before income tax expense	1,930	(399)
Adjustments for:		
Bank interest income	(30)	(25)
Depreciation of property, plant and equipment	62	86
Finance costs	—	21
Investment income	—	(130)
Gain on disposals of available-for-sale financial assets, net	—	(199)
Operating profit/(loss) before working capital changes	1,962	(646)
Decrease in trade receivables	25	1,162
(Increase)/Decrease in deposits, prepayments and other receivables	(138)	302
Increase in amounts due from directors	(11)	(478)
Increase/(Decrease) in trade payables	277	(705)
Increase/(Decrease) in accruals, deposits received and other payables	385	(487)
Decrease in amount due to a director	(575)	—
Cash generated from/(used in) operations	1,925	(852)
Income tax paid	—	—
Net cash generated from/(used in) operating activities	1,925	(852)

For the six months period  
ended 30 September

2017                      2016  
HK\$'000                      HK\$'000  
(Unaudited)                      (Unaudited)

<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(3,399)	(18)
Proceeds from disposals of available-for-sale financial assets	—	1,653
Increase in pledged bank deposits	(1)	—
Increase in fixed deposits with original maturity of over three months	—	(3)
Investment income	—	117
Interest received	30	25
Net cash (used in)/generated from investing activities	(3,370)	1,774
<b>Cash flows from financing activities</b>		
Repayments of bank borrowings	—	(429)
Interest paid	—	(21)
Net cash used in financing activities	—	(450)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,445)	472
<b>Cash and cash equivalents at beginning of the period</b>	59,787	25,402
<b>Cash and cash equivalents at end of the period</b>	58,342	25,874

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. General Information

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

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

## 2. Basis of Preparation and Presentation

The unaudited condensed consolidated financial statements of the Group for the six months period ended 30 September 2017 have not been audited by the Company’s auditor, but have been reviewed by the audit committee of the Company. They have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements under the GEM Listing Rules.

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

### 3. Revenue

An analysis of revenue is as follows:

	For the three months period ended 30 September		For the six months period ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Transportation business</b>				
Minibus	9,431	12,909	18,843	23,474
Taxi	76	863	80	1,643
Others	31	1,035	150	1,453
<b>Healthcare business</b>				
Hospitals and clinics	3,096	2,429	5,867	4,874
Health and beauty retail stores	637	729	1,490	1,308
<b>Total</b>	<b>13,271</b>	<b>17,965</b>	<b>26,430</b>	<b>32,752</b>

#### Segment Information

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

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

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

#### Segment revenue and results

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

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

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 HK\$'000	Taxi HK\$'000	Others HK\$'000	Total Transportation Business HK\$'000	Hospitals and clinics HK\$'000	Health and beauty retail stores HK\$'000	Total Healthcare Business HK\$'000	Total HK\$'000
<b>For the six months period ended 30 September 2017</b>								
Revenue								
— from external customers	18,843	80	150	19,073	5,867	1,490	7,357	26,430
Cost of sales				(12,593)			(3,554)	(16,147)
Gross profit				6,480			3,803	10,283
Unallocated other income and gains, net								205
Corporate and other unallocated expenses								(8,558)
Finance costs								—
Profit before income tax expense								1,930
<b>For the six months period ended 30 September 2016</b>								
Revenue								
— from external customers	23,474	1,643	1,453	26,570	4,874	1,308	6,182	32,752
Cost of sales				(13,860)			(3,721)	(17,581)
Gross profit				12,710			2,461	15,171
Unallocated other income and gains, net								473
Corporate and other unallocated expenses								(16,022)
Finance costs								(21)
Loss before income tax expense								(399)

	Minibus HK\$'000	Taxi HK\$'000	Others HK\$'000	Total Transportation Business HK\$'000	Hospitals and clinics HK\$'000	Health and beauty retail stores HK\$'000	Total Healthcare Business HK\$'000	Total HK\$'000
<b>For the three months period ended 30 September 2017</b>								
Revenue								
– from external customers	9,431	76	31	9,538	3,096	637	3,733	13,271
Cost of sales				(6,491)			(1,799)	(8,290)
Gross profit				3,047			1,934	4,981
Unallocated other income and gains, net								52
Corporate and other unallocated expenses								(4,273)
Finance costs								–
Profit before income tax expense								760

	Minibus HK\$'000	Taxi HK\$'000	Others HK\$'000	Total Transportation Business HK\$'000	Hospitals and clinics HK\$'000	Health and beauty retail stores HK\$'000	Total Healthcare Business HK\$'000	Total HK\$'000
<b>For the three months period ended 30 September 2016</b>								
Revenue								
– from external customers	12,909	863	1,035	14,807	2,429	729	3,158	17,965
Cost of sales				(7,816)			(1,819)	(9,635)
Gross profit				6,991			1,339	8,330
Unallocated other income and gains, net								43
Corporate and other unallocated expenses								(8,463)
Finance costs								(9)
Loss before income tax expense								(99)

#### 4. Other Income and Gains, Net

	For the three months period ended 30 September		For the six months period ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Other income and gains, net</b>				
Bank interest income	14	12	30	25
Exchange gain/(loss), net	35	(37)	105	(37)
Investment income	—	28	—	130
Gain on disposal of available- for-sale financial assets, net	—	—	—	199
Rental income	—	9	—	122
Others	3	31	70	34
<b>Total</b>	<b>52</b>	<b>43</b>	<b>205</b>	<b>473</b>

#### 5. Finance Costs

	For the three months period ended 30 September		For the six months period ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank borrowings	—	9	—	21

#### 6. Income Tax Expense

	For the three months period ended 30 September		For the six months period ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax — Hong Kong Profits Tax — Tax for the period	204	945	457	1,621

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

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits of subsidiaries operating in Hong Kong for the three months and the six months period ended 30 September 2017 and 2016, respectively.

No deferred tax has been recognized as there were no material temporary differences for the three months and the six months period ended 30 September 2017 and 2016, respectively.

## 7. Earnings/(Loss) Per Share

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

	For the three months period ended 30 September		For the six months period ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
<b>Earnings/(Loss)</b>				
Earnings/(Loss) for the purposes of basic and diluted earnings per share	556	(1,044)	1,473	(2,020)
<b>Number of shares</b>	'000	'000	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	582,411	540,000	582,411	540,000

Weighted average of 540,000,000 ordinary shares for the period ended 30 September 2016, being the number of ordinary shares in issue immediately after the completion of capitalisation issue in December 2016, deemed to have been issued throughout the period ended 30 September 2016 and up to 5 January 2017, immediately before the completion of the placing of the Company's new ordinary shares.

Weighted average of 582,411,000 ordinary shares for the period ended 30 September 2017 includes the weighted average of 180,000,000 ordinary shares issued immediately after the completion of placing, in addition to the aforementioned 540,000,000 ordinary shares for the period ended 30 September 2017.

Diluted earnings per share was the same as the basic earnings per share as the Group had no potential dilutive ordinary shares during the period ended 30 September 2017 and 2016.

Basic and diluted earnings per share was HK\$0.25 cents for the six months period ended 30 September 2017 (2016: loss of HK\$0.37 cents).

## 8. Dividend

The Board does not recommend a payment of an interim dividend for the six months period ended 30 September 2017 (2016: Nil).

The dividends of HK\$10,000,000 for the six months period ended 30 September 2016 represented an interim dividends declared by a subsidiary of the Company to its then equity owners prior to the Group Reorganisation. The said dividend was fully settled prior to the Listing.

## 9. Property, Plant And Equipments

The Group acquired items of property, plant and equipment with cost amounting to HK\$3,399,000 and HK\$18,269 during the six months period ended 30 September 2017 and 2016, respectively. No items of property, plant and equipment were disposed of during the six months period ended 30 September 2017 and 2016, respectively.

## 10. Trade Receivables

	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
Trade receivables	4,756	4,781
Provision of impairment of trade receivables	(57)	(57)
	<b>4,699</b>	4,724

Analysis of trade receivable that are not impaired as at of each reporting period based on revenue recognition date, is as follows:

	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
0–90 days	2,452	2,311
91–180 days	1,772	2,229
181–365 days	399	122
Over 365 days	76	62
	<b>4,699</b>	4,724

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 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
Neither past due nor impaired	1,243	1,070
Past due less than 3 months	2,343	2,646
Past due more than 3 months but less than 6 months	682	881
Past due more than 6 months	431	127
	<b>4,699</b>	<b>4,724</b>

## 11. Trade Payables

Based on the receipts of services and goods, which normally coincided with the invoice dates, ageing analysis of the Group's trade payables as at the end of each reporting periods is as follows:

	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
0–90 days	769	512
91–180 days	60	11
181–365 days	17	19
Over 365 days	—	27
	<b>846</b>	<b>569</b>

## 12. Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the following transactions were carried out with related parties:

### (i) Significant related party transactions during the period

	For the six months period ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Operating lease rental paid to a related company — Golden Billion Investment Limited (“Golden Billion”)	166	122

Golden Billion was owned by Mr. Lau Hon Chung Tony (“Mr. Tony Lau”), a former member of Media Savvy Limited (“MSL”), the subsidiary, up to 23 March 2016. In March 2016, Mr. Tony Lau’s shareholding in MSL has been transferred to AL Capital Limited, which is owned by Mr. Lau Anthony Chi Sing, the existing shareholder and the 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

	For the six months period ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Short-term benefits	2,057	1,628
Post-employment benefits	35	32
	2,092	1,660

### 13. 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 5 years (2016: 1 to 4 years) during the reporting period.

	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
Office equipment:		
Not later than one year	24	24
Later than one year and not later than five years	77	89
	<b>101</b>	113
Advertising spaces:		
Not later than one year	18,423	17,801
Later than one year and not later than five years	22,422	19,375
	<b>40,845</b>	37,176
Leasing of premises:		
Not later than one year	332	332
Later than one year and not later than five years	277	443
	<b>609</b>	775
	<b>41,555</b>	38,064

#### (b) Operating lease arrangements

As at 30 September 2017 and 31 March 2017, the Group did not have any significant operating lease arrangements.

#### (c) Capital commitments

As at 30 September 2017 and 31 March 2017, the Group did not have any significant capital commitments.

#### (d) Contingent liabilities

As at 30 September 2017 and 31 March 2017, the Group did not have any significant contingent liabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leading out-of-home advertising space and service provider in Hong Kong. During the six months period ended 30 September 2017, the Group continued to engage in the operation of advertising business on minibuses, taxis and in hospitals, clinics, health and beauty retail stores.

### Business Review

During the period under review, the Group continued its principal business in provision of out-of-home advertising spaces and services to its customers. The Group continued its leading trend in out-of-home advertising sector in Hong Kong focusing on minibuses, taxis, and inside hospitals, clinics, health and beauty retail stores advertising.

Minibus advertising continued to be the major revenue driver of the Group by offering bus body and interior advertising spaces and services to its customers. The Group also strives to strengthen the quality of its services by fine-tuning its installation parameters and quality of the advertising stickers. For other advertising platforms, we continued our positioning in the healthcare sector by providing a niche and targeted media solution to our healthcare focused clients. Our major advertisers category remains unchanged i.e. end-users and intermediaries such as advertising agencies acting for their respective clients and we also offer our customers convenient design and production, advertisement logistics, installation and dismantling services on the different advertising platforms.

### Exclusivity of Advertising Space Booking Services

The majority of our advertising spaces are on exclusive basis but we will also procure advertising spaces from other advertising space owners on a non-exclusive basis. In respect of these services, we only license these non-exclusive spaces on an as-needed basis upon receiving our customers' request.

During the period under review and based on our plan on use of proceed generated from the Listing, we continued to strategically focus on expanding our advertising spaces coverage on minibus bodies and taxi bodies of which we can offer our customers a wider spectrum of advertising spaces in different locations at competitive pricing. In addition, the management team has been focusing on our strategy to diversify and increase our coverage of our advertising network and working to secure more exclusive licenses to advertising spaces on minibuses and taxis, as well as health related service providers.

## Financial Review

### Revenue and Other Income and Gains

Total revenue of the Group decreased by 19.5% from approximately HK\$32.8 million for the six months period ended 30 September 2016 to approximately HK\$26.4 million for that of 2017. Such decrease was mainly attributable to the decrease of revenue from minibus and taxi advertising which (i) the revenue generated from minibus advertising decreased by 20.0% from approximately HK\$23.5 million for the six months period ended 30 September 2016 to approximately HK\$18.8 million for that of 2017; and (ii) the revenue generated from taxi advertising decreased by 93.8% from approximately HK\$1.6 million for the six months period ended 30 September 2016 to approximately HK\$0.1 million for that of 2017. As stated in the prospectus of the Company dated 23 December 2016 (the “**Prospectus**”) and Annual Report 2016/17, the increase of revenue during the year ended 31 March 2017 (“**FY2017**”) was mainly due to the increase of advertising campaigns in these two types of advertising platforms by political parties in Hong Kong due to the 2016 Hong Kong Legislative Council election (“**Election**”). After the Election, the Group has recorded a drop of advertising campaign by political parties that led to such decrease of revenue in minibus and taxi advertising.

On the other hand, revenue generated from hospitals and clinics advertising increased by 20.4% from approximately HK\$4.9 million for the six months period ended 30 September 2016 to approximately HK\$5.9 million for that of 2017. Such increase was mainly due to an increase of advertising revenue generated from our advertising agency customers which consist of a variety of clients.

Revenue generated from the health and beauty retail stores advertising increased by 15.4% from approximately HK\$1.3 million for the six months period ended 30 September 2016 to approximately HK\$1.5 million for that of 2017. Such increase was mainly due to higher advertising revenue generated from our advertising agency customers.

However, the Group recorded a drop in revenue generated from the provision of others types of advertising (for example providing advertising spaces in MTR stations and other miscellaneous advertising services such as arranging public relation campaign for clients). Its revenue decreased from approximately HK\$1.5 million for the six months period ended 30 September 2016 to approximately HK\$0.2 million for that of 2017.

Other income and gains decreased by 60.0% from approximately HK\$0.5 million for the six months period ended 30 September 2016 to approximately HK\$0.2 million for that of 2017. Such decrease was mainly due to the decrease of investment income and gain on disposal of our available-for-sale financial assets which we had fully disposed of from approximately HK\$0.3 million for the six months period ended 30 September 2016 to zero for that of 2017.

## **Cost of Sales and Gross Profit Margin**

In general, cost of sales decreased by 8.5% from approximately HK\$17.6 million for the six months period ended 30 September 2016 to approximately HK\$16.1 million for that of 2017. The decrease of the cost of sales was due to the decrease of revenue from approximately HK\$32.8 million for the six months period ended 30 September 2016 to approximately HK\$26.4 million for that of 2017.

The gross profit margin decreased by 7.3 percentage points from approximately 46.3% for the six months period ended 30 September 2016 to approximately 39.0% for that of 2017. In the minibus sub-segment, the Group has recorded the decrease of gross profit margin from approximately 51.4% for the six months period ended 30 September 2016 to approximately 34.8% for that of 2017. Such decrease was mainly due to the increase of the license fees paid/payable to our licensors for licensing additional advertising spaces on an exclusive basis in our minibus network during the six months ended 30 September 2017. Our total number of exclusive advertising spaces in our minibus network increased significantly from 773 for the six months period ended 30 September 2016 to 1,020 for that of 2017, which is in line with our Group's originally stated in the expansion plan in the Prospectus. In the taxi sub-segment, the Group recorded a gross profit of approximately HK\$0.5 million for the six months period ended 30 September 2016 as compared to a gross loss of approximately HK\$0.1 million for that of 2017. Such decrease was mainly due to (i) the revenue generated from taxi advertising recording a drop of approximately HK\$1.5 million for the six months period ended 30 September 2017 as compared to that of 2016 due to the effect of the Election campaign in 2016; and (ii) the Group has commenced the trial period of the new taxi media advertising platform with the installation of "Taxiboard" as stated in the Prospectus, we have completed a trial campaign with a customer which we have offered an attractive discount. In the hospitals and clinics sub-segment, gross profit margin increased from approximately 66.0% for the six months period ended 30 September 2016 to approximately 72.8% for that of 2017 due to the increase in revenue with a fixed minimum guaranteed fee paid to our licensor. Also, in the health and beauty retail stores sub-segment, the gross loss margin improved 25.8 percentage points for the six months period ended 30 September 2017 as compared to that of 2016.

## **Selling Expenses**

Selling expenses increased from approximately HK\$2.7 million for the six months period ended 30 September 2016 to approximately HK\$3.4 million for that of 2017. It was mainly due to (i) the increase in marketing expenses in relation to our listing application and the one-off and non-recurring celebration activities with various parties upon our successful Listing; and (ii) an increase in overseas travelling expenses due to the business development in overseas for the potential opportunities in relation to the business.

## **Administrative Expenses**

Administrative expenses increased from approximately HK\$3.3 million for the six months period ended 30 September 2016 to approximately HK\$5.1 million for that of 2017. It was mainly due to (i) an increase of the staff costs from approximately HK\$2.1 million for the six months period ended 30 September 2016 to approximately HK\$3.1 million for that of 2017 mainly due to an increase in headcount and the adjustment of staff salaries in beginning of 2017; and (ii) an increase of administrative and professional fees of approximately HK\$0.5 million after the Listing including audit fee, share registration fee, financial report printing fee and compliance adviser fee.

## **Listing Expenses**

The Group recorded non-recurring listing expenses of approximately HK\$10.1 million for the six months period ended 30 September 2016 for the preparation of the Listing. No further expenses in relation to listing application was recognized for that of 2017.

## **Finance Costs**

Finance costs represented interest on our bank borrowings. Due to full repayment made during FY2017, the Group had no finance costs for the six months period ended 30 September 2017 as compared to approximately HK\$21,000.00 for that of 2016.

## **Profit/Loss for the Period**

We recorded a net profit of approximately HK\$1.5 million for the six months period ended 30 September 2017 as compared to the net loss of approximately HK\$2.0 million for that of 2016. Before taking into account the non-recurring listing expenses, our adjusted net profit for the six months period ended 30 September 2016 would be approximately HK\$8.1 million.

## Capital Structure

Management of the Group regards total equity as capital. The amount of capital as at 30 September 2017 amounted to HK\$60,820,000 (31 March 2017: HK\$59,347,000).

## Liquidity and Financial Resources

During the six months period ended 30 September 2017, the Group mainly financed its operations with its own working capital and the net proceeds from placing. As at 30 September 2017 and 31 March 2017, the Group had net current assets of approximately HK\$57.3 million and approximately HK\$59.1 million respectively, including cash and bank balances of approximately HK\$58.3 million and approximately HK\$59.8 million respectively. The Group's pledged bank deposits of approximately HK\$1.9 million as at 30 September 2017 (31 March 2017: approximately HK\$1.9 million) represented cash at bank held by the Group and pledged for letters of guarantee issued by bank.

As at 30 September 2017 and 31 March 2017, as the Group had no bank borrowings, the gearing ratio was 0%.

## Significant Investments Held

During the six months period ended 30 September 2017, there was no significant investment held by the Group.

## Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

On 30 November 2016, the Group completed the reorganization, details of which are set out in the Prospectus. Subsequent to the completion of the reorganization and up to 30 September 2017, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

## Future Plans for Material Investments and Capital Assets

Save as those disclosed in the Prospectus, the Group currently has no other plan for material investments.

## **Contingent Liabilities**

The Group did not have any material contingent liabilities as at 30 September 2017 and 31 March 2017.

## **Commitments**

The Group's contractual commitments primarily related to the leases of its office equipment, advertising spaces and office premises. The Group's operating lease commitments amounted to approximately HK\$41.6 million and approximately HK\$38.1 million as at 30 September 2017 and 31 March 2017 respectively. As at 30 September 2017, the Group did not have any capital commitments (31 March 2017: Nil).

## **Charge on Group's Asset**

As at 30 September 2017 and 31 March 2017, save for the pledged bank deposits, the Group did not pledge any of its assets as securities for any facilities granted to the Group.

## **Foreign Exchange Exposure**

The Group mainly operates in Hong Kong with most of the transactions settled in HK\$ and does not have significant exposure to risk resulting from changes in foreign currency exchange rates.

## **Use of Net Proceeds from Listing**

The net proceeds from the issue of a total of 180,000,000 new ordinary shares of the Company at the placing price of HK\$0.27 per share under the placing as set out in the Prospectus, after deducting underwriting commission and other expenses relating to the Listing, amounted to approximately HK\$29.9 million. The net proceeds were intended to be applied in the same proportion and in the same manner as shown in the Prospectus with estimated net proceeds amounted to HK\$26.4 million, which was made under the assumption that the placing price would be HK\$0.25 per share, being the mid-point of the indicative placing price range. Accordingly, approximately 69.7% (HK\$20.9 million), 18.2% (HK\$5.4 million), 9.8% (HK\$2.9 million) and 2.3% (HK\$0.7 million) will be applied for (i) expanding our coverage in the minibus advertising network; (ii) expanding our coverage in other transportation advertising platform; (iii) expanding our coverage in the healthcare-related advertising platform; and (iv) enhancing our

information management system respectively. An analysis of the utilization of the net proceeds during the period from 5 January 2017 (the “Listing Date”) to 30 September 2017 is set out below:

	<b>Amount of usage of net proceeds from the Listing Date to 30 September 2017</b>	
	<b>Estimated*</b> HK\$ million	<b>Actual</b> HK\$ million
Expand our coverage in the minibus media	9.9	4.4
Expand our coverage in other transportation	3.8	0.1
<b>Total</b>	<b>13.7</b>	<b>4.5</b>

*Note:* Business strategies are as set out in the Prospectus.

We have allocated resources in accordance with the Group’s future plans and use of proceeds. In particular, we have further expanded our exclusive advertising spaces on green (fixed route) minibuses from 773 units as of 30 September 2016 to 1,020 units as of 30 September 2017; red minibuses to 49 units and taxi to 43 units as of 30 September 2017. For the Taxi Ducktail, we have successfully secured the first agreement with an advertiser covering an advertising period of 3 months which mark the milestone of our new Taxi Ducktail media. We will continue to explore with the respective taxi operators to ease the arrangement for the installation of Taxi Ducktail media and use of the lighter materials for the board in response to the requests from the taxi drivers.

Due to the requests of the respective minibus operator and the replacement of the new minibuses with 19 seats, the Group will delay the installation of minibus LCD until the new 19 seats buses have arrived.

For the roll-out of advertising services on the body of light goods trucks in cooperation with major application operator managing these trucks, we are liaising with another leading application operator and we expect to reach certain cooperation terms by the end of this year.

The remaining unused net proceeds as at 30 September 2017 were placed as bank balances with licensed bank in Hong Kong and will be applied according to the intended usage stated in the Prospectus.

\* The estimated amount of usage of net proceeds as at 30 September 2017 has been adjusted in the same proportion and in the same manner as stated in the Prospectus due to the above-mentioned difference between the estimated net proceeds and the actual net proceeds received.

## Employees and Remuneration Policies

As at 30 September 2017, the Group had 27 employees (30 September 2016: 21 employees). The staff costs (including Directors' emoluments) amounted to approximately HK\$5.6 million for the six months period ended 30 September 2017 (six months period ended 30 September 2016: approximately HK\$4.7 million).

Remuneration is determined with reference to market standard and individual employees' responsibilities, qualification, experience and performance. The Group has also adopted a share option scheme as added incentive for the employees.

## Outlook

The majority of our business is on minibus advertising and our minibus advertising spaces are on green (fixed routes) minibuses. The Road Traffic (Amendment) Bill 2017 for increasing the maximum passenger seating capacity of light buses from 16 to 19 was passed on 28 June 2017. It is expected that the replacement of the new 19-seat public light buses will definitely increase the ridership of minibuses and will broaden the target audiences of minibus advertising. However, it is understood that many new 19-seat public light buses ordered for replacing Euro II diesel PLBs cannot be delivered to Hong Kong in time for their owners to complete the necessary procedures for de-registering their old PLBs and for submitting their applications for the ex-gratia payment under the Ex-gratia Payment Scheme for Phasing Out Pre-Euro IV Diesel Commercial Vehicles (DCVs) (the "**ex-gratia payment scheme**") by the deadline of 31 December 2017. We are given to understand that the deadline of the ex-gratia payment scheme will be extended up to 30 June 2018 and we foresee there will be more minibus owners renewing their vehicles to the new 19-seat public light buses to secure their respective applications under the ex-gratia payment scheme. By gradually renewing vehicles to the new 19-seat public light buses, the brand new model will definitely give the minibus industry a refreshing outlook and enhance the impression of general public in respect of the minibus industry. On advertising front, the new minibus model will provide a clean and larger advertising space for our clients whereas the refreshing look of the minibus body is welcomed by our clients. We also expect the Hong Kong Government's plan to convert red minibuses to green minibuses by introducing new green minibus routes so the market for minibus advertising should still have room for expansion with more minibus routes running in different parts of Hong Kong. Minibus will continue to act as a feeder to the Mass Transit Railway ("**MTR**") system in Hong Kong and will serve complementarily with new MTR lines, operating as connections between MTR stations and residential areas.

## Interim Dividend

The Board does not recommend payment of interim dividend to the shareholders of the Company for the six months period ended 30 September 2017.

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

As at 30 September 2017, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### Long Positions in the Ordinary Shares

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

Notes:

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

## Long Positions in Shares of Associated Corporation

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

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

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

Save as disclosed above, as at 30 September 2017, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as is known to the Directors, as at 30 September 2017, the following persons/entities had interests or a short positions in the shares or the underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO as follows:

## Long Positions in Ordinary Shares

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

### Notes:

- (1) The letter "L" denotes the entity/person's long position in the Shares.
- (2) All issued shares in Goldcore are solely owned by Ms. Chau. Accordingly, Ms. Chau is deemed to be interested in all the Shares held by Goldcore by virtue of the SFO.
- (3) All issued shares in AL Capital are solely owned by Mr. Lau. Accordingly, Mr. Lau is deemed to be interested in all the Shares held by AL Capital by virtue of the SFO.
- (4) All issued shares in Silver Pro are solely owned by Mr. Da Silva. The spouse of Mr. Da Silva is Ms. CHU Sau Kuen Jeanny. Accordingly, Mr. Da Silva and Ms. CHU Sau Kuen Jeanny are both deemed to be interested in all the Shares held by Silver Pro by virtue of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 30 September 2017, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **Directors' Rights to Acquire Shares or Debentures**

Save as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Any Associated Corporation" above, at no time during the six months period ended 30 September 2017, were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates (as defined in the GEM Listing Rules), or were any rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months period ended 30 September 2017.

## **Share Option Scheme**

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

As at 30 September 2017, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

## **Competition and Conflict of Interests**

None of the Directors, the directors of the Company's subsidiaries or controlling shareholders of the Company, or any of its respective close associates, as defined in the GEM Listing Rules, had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group (other than being a Director and/or a director of its subsidiaries and their respective associate) during the six months period ended 30 September 2017.

## Directors' Securities Transactions

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Based on specific enquiry made with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance during the six months period ended 30 September 2017.

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

Neither the compliance adviser of the Group nor its directors, employees or associates had any interests in relation to the Company as at 30 September 2017 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## Compliance with the Corporate Governance Code

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

Throughout the six months period ended 30 September 2017, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code, save for the deviation from the code provision A.2.1, as explained below:

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

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

## Audit Committee

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

The audit committee has discussed and reviewed the unaudited condensed consolidated financial statements of the Group for the six months period ended 30 September 2017 and this report.

## Board of Directors

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

### Executive Directors:

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

Ms. CHEUNG Kit Yi

Mr. LEAN Chun Wai

### Non-Executive Director:

Mr. DA SILVA Antonio Marcus

### Independent Non-Executive Directors:

Ms. AU Shui Ming Anna

Mr. LIANG Man Kit Jerry

Mr. HO Alfred Chak Wai

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

Hong Kong, 7 November 2017