

OOH Holdings Limited

奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8091



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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 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 2023, together with the unaudited comparative figures for the corresponding periods in 2022 (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 2023

	Notes	For the three months period ended 30 September		For the six months period ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	4	10,958	10,932	21,742	21,094
Cost of sales		(6,798)	(6,999)	(13,883)	(14,170)
Gross profit		4,160	3,933	7,859	6,924
Other income and gains, net	5	458	428	589	1,082
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(1,047)	(73)	(1,047)	(73)
Selling expenses		(1,834)	(2,020)	(3,730)	(3,453)
Administrative expenses		(4,063)	(3,817)	(7,742)	(7,506)
Finance costs	6	(422)	(389)	(868)	(726)
Loss before income tax expense		(2,748)	(1,938)	(4,939)	(3,752)
Income tax expense	7	(52)	(178)	(101)	(460)
Loss and total comprehensive loss for the period attributable to owners of the Company		(2,800)	(2,116)	(5,040)	(4,212)
		HK cents	HK cents	HK cents	HK cents
Loss per share					
Basic and diluted	8	(0.39)	(0.30)	(0.70)	(0.59)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

Notes	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)	
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	1,157	1,599
Right-of-use assets		36,461	42,489
Intangible assets		2,320	2,320
		39,938	46,408
Current assets			
Inventories	11	3,296	3,371
Financial assets at FVTPL	12	439	1,472
Trade receivables	13	2,489	3,977
Deposits, prepayments and other receivables		1,618	1,963
Tax recoverable		–	3
Cash and bank balances	16	33,343	32,928
		41,185	43,714
Assets classified as held for sale		–	506
		41,185	44,220
Current liabilities			
Trade payables	14	530	528
Accruals and other payables		1,628	1,712
Contract liabilities		6,655	6,550
Lease liabilities		15,551	13,581
Tax payables		99	–
		24,463	22,371
Net current assets		16,722	21,849
Total assets less current liabilities		56,660	68,257
Non-current liabilities			
Lease liabilities		21,118	27,675
Net assets		35,542	40,582
CAPITAL AND RESERVES			
Share capital		7,200	7,200
Reserves		28,342	33,382
Total equity		35,542	40,582

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 September 2023

	Attributable to owners of the Company				
	Share capital	Share premium*	Other reserve*	Retained earnings/ (Accumulated losses)*	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At 1 April 2022 (Audited)	7,200	35,371	(90)	7,563	50,044
Loss and total comprehensive loss for the period	-	-	-	(4,212)	(4,212)
At 30 September 2022 (Unaudited)	7,200	35,371	(90)	3,351	45,832
At 1 April 2023 (Audited)	7,200	35,371	(90)	(1,899)	40,582
Loss and total comprehensive loss for the period	-	-	-	(5,040)	(5,040)
At 30 September 2023 (Unaudited)	7,200	35,371	(90)	(6,939)	35,542

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 September 2023

	For the six months period ended 30 September		
	Notes	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cash flows from operating activities			
Loss before income tax expense		(4,939)	(3,752)
Adjustments for:			
Amortisation of intangible assets		-	47
Bank interest income		(469)	(62)
Depreciation of property, plant and equipment		488	511
Depreciation of right-of-use assets		9,819	9,538
(Gain)/Loss on modification of leases		(14)	1
Gain on disposal of intangible assets		(53)	-
Gain on disposal of property, plant and equipment		(12)	-
Gain on rental concessions		-	(399)
Interest income from financial assets at FVTPL		(14)	(22)
Interest on lease liabilities		868	726
Operating profit before working capital changes		5,674	6,588
Decrease in trade receivables		1,488	1,269
Decrease in deposits, prepayments and other receivables		345	349
Decrease in financial assets at FVTPL		1,033	73
Decrease/(Increase) in inventories		75	(160)
Increase in trade payables		2	4
(Decrease)/Increase in accruals and other payables		(84)	113
Increase in contract liabilities		105	476
Net cash generated from operating activities		8,638	8,712

	Notes	For the six months period ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cash flows from investing activities			
Purchases of property, plant and equipment		(46)	(243)
Proceeds from sale of property, plant and equipment		572	–
Decrease in fixed deposits with original maturity of over three months		11,987	2,959
Interest received		483	84
Net cash generated from investing activities		12,996	2,800
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(8,364)	(10,673)
Interests paid on lease liabilities		(868)	(726)
Net cash used in financing activities		(9,232)	(11,399)
Net increase in cash and cash equivalents		12,402	113
Cash and cash equivalents at beginning of the period	16	8,017	22,791
Cash and cash equivalents at end of the period	16	20,419	22,904

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 Act, Cap 22 of the Cayman Islands and its shares had been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 5 January 2017. 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 Group is principally engaged in the provision of advertising display services.

2. Basis of Preparation

The unaudited condensed consolidated financial statements of the Group for the six months period ended 30 September 2023 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 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. Adoption of HKFRSs

Adoption of new or amended HKFRSs

In the current period, the Group has applied the following new or amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group’s unaudited condensed consolidated financial statements.

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKFRS 17	Insurance Contracts
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative information

The adoption of the above new or amended standards does not have any significant impact on the unaudited condensed consolidated financial statements.

4. Revenue

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets, major platforms and service lines and timing of revenue recognition.

	For the three months period ended 30 September		For the six months period ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Primary geographical markets				
Hong Kong (place of domicile)	10,958	10,932	21,742	21,094
Major services lines				
Advertising display services				
— Bus	10,423	10,285	20,732	20,036
— Taxi	149	439	204	626
— Others	354	170	721	356
— Hospitals and clinics	32	14	85	24
	10,958	10,908	21,742	21,042
Food and beverage services	–	24	–	52
Total	10,958	10,932	21,742	21,094
Timing of revenue recognition				
Transferred over time	10,958	10,908	21,742	21,042
At a point in time	–	24	–	52
	10,958	10,932	21,742	21,094

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 following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("**Specified non-current assets**").

	Revenue from external customers		Specified non-current assets	
	For the six months period ended 30 September		As at	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Hong Kong (place of domicile)	21,742	21,094	39,938	46,408

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 consider the advertising display business from the perspective of advertising platforms available, and determine that the Group has the following reportable operating segments:

- Provision of advertising display services over the transportation media platforms ("**Transportation Business**");
- Provision of advertising display services over the healthcare media platforms ("**Healthcare Business**"); and
- Prior to 1 April 2023, the Group also operated the business of sales of Mizimamei branded food and beverage products and franchise of Mizimamei brand in Hong Kong ("**Food and Beverage Business**"), which the license right was novated to a third party pursuant to the novation agreement dated 1 April 2023. The Group ceased the Food and Beverage Business since then.

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 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, 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:

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
For the six months period ended 30 September 2023				
Revenue				
— From external customers	21,657	85	–	21,742
Cost of sales	(13,853)	(30)	–	(13,883)
Gross profit	7,804	55	–	7,859
Unallocated other income and gains, net				589
Corporate and other unallocated expenses				(12,519)
Finance costs				(868)
Loss before income tax expense				(4,939)

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
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**For the six months period
ended 30 September 2022**

Revenue				
— From external customers	21,018	24	52	21,094
Cost of sales	(14,116)	(7)	(47)	(14,170)
Gross profit	6,902	17	5	6,924
Unallocated other income and gains, net				1,082
Corporate and other unallocated expenses				(11,032)
Finance costs				(726)
Loss before income tax expense				(3,752)

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
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**For the three months period
ended 30 September 2023**

Revenue				
— From external customers	10,926	32	–	10,958
Cost of sales	(6,786)	(12)	–	(6,798)
Gross profit	4,140	20	–	4,160
Unallocated other income and gains, net				458
Corporate and other unallocated expenses				(6,944)
Finance costs				(422)
Loss before income tax expense				(2,748)

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
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**For the three months period
ended 30 September 2022**

Revenue				
— From external customers	10,894	14	24	10,932
Cost of sales	(6,972)	(4)	(23)	(6,999)
Gross profit	3,922	10	1	3,933
Unallocated other income and gains, net				428
Corporate and other unallocated expenses				(5,910)
Finance costs				(389)
Loss before income tax expense				(1,938)

5. Other Income and Gains, Net

	For the three months period ended 30 September		For the six months period ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Bank interest income	410	68	469	84
Gain on rent concessions	-	23	-	399
Interest income from financial assets at FVTPL	14	-	14	-
Gain on lease modification	14	-	14	-
Government subsidies (Note)	-	274	-	466
Gain on disposal of property, plant and equipment	4	-	12	-
Gain on disposal of intangible assets	-	-	53	-
Others	16	63	27	133
Total	458	428	589	1,082

Note: The amount represented grants received from the Employment Support Scheme under the Anti-epidemic Fund launched by the Government of Hong Kong Special Administrative Region, which aimed to retain employment under the COVID-19 environment. The Group did not have other unfulfilled obligations relating to this program.

6. Finance Costs

	For the three months period ended 30 September		For the six months period ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on lease liabilities	422	389	868	726

7. Income Tax Expense

	For the three months period ended 30 September		For the six months period ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax — Tax for the period	52	178	101	460

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 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million for the three months and the six months period ended 30 September 2023 and 2022. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates continue to be taxed at a flat rate of 16.5%.

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 2023 and 2022, respectively.

8. Loss per Share

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

	For the three months period ended 30 September		For the six months period ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss				
Loss for the purposes of basic and diluted loss per share	(2,800)	(2,116)	(5,040)	(4,212)
Number of shares	'000	'000	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	720,000	720,000	720,000	720,000

The weighted average of 720,000,000 ordinary shares for the three months and the six months period ended 30 September 2023 and 2022 were same as the number of ordinary shares of the Company in issue throughout the period.

Diluted loss per share was the same as the basic loss per share as the Company had no potential dilutive ordinary shares in issue during the three months and the six months period ended 30 September 2023 and 2022.

Basic and diluted loss per share was 0.70 HK cents for the six months period ended 30 September 2023 (2022: loss of 0.59 HK cents).

9. Dividend

The Board does not declare the payment of an interim dividend for the six months period ended 30 September 2023 (for the six months period ended 30 September 2022: Nil).

10. Property, Plant and Equipment

The Group acquired items of property, plant and equipment with cost amounting to HK\$46,000 and HK\$243,000 during the six months period ended 30 September 2023 and 2022 respectively. Disposal of property, plant and equipment during the six months period ended 30 September 2023 and 2022 was insignificant.

11. Inventories

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Motor vehicle and accessories	3,296	3,371

12. Financial Assets at FVTPL

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Listed debt investments	439	1,472

Listed debt investments represent corporate bonds publicly traded on Singapore Exchange with fixed coupon rates. Management has determined to hold these corporate bonds for trading and therefore classified these bonds as financial assets at FVTPL under current assets.

The fair value of financial assets at FVTPL are classified at level 1. There were no transfers between level 1 and level 2 fair value measurements or transfers into or out of level 3 fair value measurements.

13. Trade Receivables

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Trade receivables	2,489	3,977

Analysis of trade receivables that are not impaired as of each reporting period is as follows:

Based on invoice date

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
0–90 days	685	589
91–180 days	874	1,771
181–365 days	851	1,528
Over 365 days	79	89
	2,489	3,977

Based on revenue recognition date

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
0–90 days	1,274	1,481
91–180 days	1,125	1,168
181–365 days	79	1,306
Over 365 days	11	22
	2,489	3,977

Trade receivables are mainly attributable to the provision of advertising display services of which advanced payments are normally required. However, the Group might offer credit terms to certain customers ranging from 30 to 60 days from the end of the contract period. Overdue balances are reviewed regularly by senior management.

14. 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 period is as follows:

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
0–90 days	444	345
91–180 days	21	163
181–365 days	47	7
Over 365 days	18	13
	530	528

15. Related Party Transactions

The Group did not have any transactions with the related parties during the period.

Compensation of key management personnel

	For the six months period ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Short-term benefits	2,698	2,666
Post-employment benefits	27	21
	2,725	2,687

16. Cash and Bank Balances

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Cash at banks and in hand	8,091	8,017
Fixed deposits	25,252	24,911
<hr/>		
Total cash and bank balances as stated in condensed consolidated statement of financial position	33,343	32,928
Less: Fixed deposit with original maturity of over three months	(12,924)	(24,911)
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Total cash and bank balances as stated in condensed consolidated statement of cash flows	20,419	8,017

The Group's cash and bank balances consist of bank deposits carrying interests at floating rates based on daily bank deposit rates and short-term bank deposits carrying interest at prevailing market interest rates ranging from 2.6% to 5.4% (2022: 1.6% to 2.6%) per annum as at 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group has continued its principal business in the provision of out-of-home (“OOH”) advertising service to its customers, which comprise end users aiming to promote their brands, products or services, and advertising agents acting for such advertisers. While providing OOH advertising business to clients, we also offer our customers design, production and advertisement logistics services on the different advertising platforms.

During the period under review, the Group has recorded a slight increase of the overall revenue. Such increase was mainly contributed by the increase in revenue generated from bus advertising by virtue of the promotion activities for the district council election in December 2023. The Group has also recorded an increase in revenue generated from the provision of other types of advertising services in particular to the increase of revenue generated from TV walls media platform and railway advertising.

Apart from the existing media platforms, the Group has been liaising the terms of cooperation with a media company who has a platform with more than 150 clinics in Hong Kong to use the in-clinic advertising spaces with LCD TVs installed in the clinics. The Group may invest a new media system to ensure the reliability of the display of advertisements. The Group has continued the business of pre-owned private vehicle trading which aims on car trading market, especially for vintage and classic automobile. As part of the vehicle trading business, the Group also participated in the vehicle registration mark trading business and has successfully traded and sold some vehicle registration marks and obtained a reasonable income from the transactions in this segment.

Financial Review

Revenue

Total revenue of the Group increased by approximately 2.8% from approximately HK\$21.1 million for the six months period ended 30 September 2022 to approximately HK\$21.7 million for that of 2023. Such increase was mainly due to (i) the increase of revenue generated from bus advertising; and (ii) the increase of revenue generated from the provision of other type of advertising services.

Revenue generated from bus advertising increased by approximately 3.5% from approximately HK\$20.0 million for the six months period ended 30 September 2022 to approximately HK\$20.7 million for that of 2023. Such increase was mainly due to the increase of revenue generated by advertisements in relation to the district council election campaign in December 2023. Revenue generated from the provision of other types of advertising services (for example advertising spaces in other OOH media formats) increased by approximately 75% from approximately HK\$0.4 million for the six months period ended 30 September 2022 to approximately HK\$0.7 million for that of 2023. Such increase was mainly due to the increase of revenue generated by direct clients that aimed at the advertising spaces in the railway system and the outdoor digital billboards.

Revenue generated from taxi advertising decreased by HK\$0.4 million from approximately HK\$0.6 million for the six months period ended 30 September 2022 to approximately HK\$0.2 million for that of 2023. Such decrease was mainly due to poor market sentiments.

Cost of Sales and Gross Profit Margin

While total revenue of the Group for the six months period ended 30 September 2023 increased by approximately 2.8%, cost of sales for the period remained relatively stable.

Accordingly, gross profit margin increased by approximately 3.3 percentage points from approximately 32.8% for the six months period ended 30 September 2022 to approximately 36.1% for that of 2023, which was mainly due to the increase in gross profit margin of bus advertising from approximately 32.9% for the six months period ended 30 September 2022 to approximately 35.8% for that of 2023 as explained above.

Change in Fair Value of Financial Assets at FVTPL

The Group recorded change in fair value of financial assets at FVTPL of approximately HK\$1.0 million for the six months period ended 30 September 2023, which was attributable to loss on corporate bonds (2022: approximately HK\$0.1 million).

Selling Expenses

Selling expenses increased by approximately 5.7% from approximately HK\$3.5 million for the six months period ended 30 September 2022 to approximately HK\$3.7 million for that of 2023 due to the increase of staff salary in sales team with reference to the inflation of wages of the labour market in Hong Kong and the change of salary package of the staff in our business development department.

Administrative Expenses

Administrative expenses increased by approximately 2.7% from approximately HK\$7.5 million for the six months period ended 30 September 2022 to approximately HK\$7.7 million for that of 2023 due to the increase of staff costs corresponding to the inflation of wages.

Finance Costs

Finance costs increased from approximately HK\$0.7 million for the six months period ended 30 September 2022 to approximately HK\$0.9 million for that of 2023.

Loss Attributable to Owners of the Company

We recorded loss attributable to owners of the Company of approximately HK\$5.0 million for the six months period ended 30 September 2023 as compared to approximately HK\$4.2 million for that of 2022.

Capital Structure

Management of the Group regards total equity as capital. The amount of capital as at 30 September 2023 amounted to HK\$35,542,000 (as at 31 March 2023: HK\$40,582,000).

Liquidity and Financial Resources

During the six months period ended 30 September 2023, the Group mainly financed its operations with its own working capital and the net proceeds from listing. As at 30 September 2023 and 31 March 2023, the Group had net current assets of approximately HK\$16.7 million and approximately HK\$21.8 million respectively, including cash and bank balances of approximately HK\$33.3 million and approximately HK\$32.9 million respectively. The Group did not have any pledged bank deposits as at 30 September 2023 and 31 March 2023.

As at 30 September 2023, the gearing ratio was 0% (as at 31 March 2023: 0%), calculated on the Group's bank borrowings over the Group's total equity. As at 30 September 2023 and 31 March 2023, the Group had no bank borrowings.

Significant Investments Held

The Group did not have any significant investments held as at 30 September 2023 and 31 March 2023.

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisition or disposal of subsidiaries and affiliated companies for the six months period ended 30 September 2023 and 2022.

Future Plans for Material Investments and Capital Assets

Save as those disclosed in the prospectus of the Company dated 23 December 2016 (the "**Prospectus**"), the Group currently has no other future plans for material investments and capital assets.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 September 2023 and 31 March 2023.

Commitments

As at 30 September 2023 and 31 March 2023, the Group did not have any capital commitments.

Charge on Group's Asset

As at 30 September 2023 and 31 March 2023, the Group did not pledge any of its assets as security for any facilities granted to the Group.

Foreign Exchange Exposure

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.

Employees and Remuneration Policies

As at 30 September 2023, the Group had 32 employees (as at 30 September 2022: 29 employees). The staff costs (including directors' emoluments) amounted to approximately HK\$7.8 million for the six months period ended 30 September 2023 (2022: approximately HK\$7.3 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 an added incentive for the employees.

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 Company's 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. 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) are 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 2023 is set out below:

		Amount of usage of net proceeds from the Listing Date to 30 September 2023		Unutilized net proceeds as at 30 September 2023	Expected timeline for full utilization of the unutilized net proceeds
		Estimated*	Actual		
		HK\$ million	HK\$ million	HK\$ million	
(i)	Expand our coverage in the minibus media	20.9	15.8	5.1	On or before 31 March 2025
(ii)	Expand our coverage in other transportation	5.4	3.6	1.8	On or before 31 March 2025
(iii)	Expand our coverage in the healthcare-related advertising	2.9	0	2.9	On or before 31 March 2025
(iv)	Enhance our information management system	0.7	0.2	0.5	On or before 31 March 2025
Total		29.9	19.6	10.3	

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

The unutilized net proceeds as at 30 September 2023 were placed as bank deposits with licensed bank in Hong Kong.

* The estimated amount of usage of net proceeds as at 30 September 2023 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.

An analysis comparing the business objective stated in the Prospectus with the Group's actual business progress as at 30 September 2023 is set out below:

Business objective and strategy Actual business progress as at 30 September 2023

- | | | |
|-------|---|--|
| (i) | Expand our coverage in the minibus media | <p>The Group has obtained advertising spaces on 891 additional green minibuses and 62 additional red minibuses.</p> <p>For in-vehicle LCD panel advertising services, minibus operators are pessimistic of the advertising revenue to be generated to them because of the technical complexity of installing the LCD panels in particular to comply with the safety regulations of the Transport Department. In view of such difficulties, the Group will reallocate the resources of this segment into other segments or new business segments to maximize the effectiveness of the use of proceeds.</p> |
| (ii) | Expand our coverage in other transportation | <p>The exclusive contract for the use of advertising spaces of not less than 100 coach buses had completed on 31 March 2021.</p> <p>The Group has obtained advertising spaces on 26 additional taxi with 50 additional Taxiboard media.</p> <p>The Group has commenced the agreement for the exclusive use of advertising spaces on New Lantao Bus in September 2021. The Group has obtained advertising spaces on not less than 88 buses from New Lantao Bus.</p> |
| (iii) | Expand our coverage in the healthcare-related advertising | <p>Upon the completion of the agreement for the use of advertising spaces at the public hospitals on 30 April 2018 and the close down of the entire media platform in the health and beauty retail stores after 30 June 2018, the Group has assessed the effectiveness of expanding the coverage in the healthcare-related advertising.</p> <p>The Group is now liaising the terms of cooperation with a media company who has a platform with more than 150 clinics in Hong Kong to use the in-clinic advertising spaces with LCD TVs installed in the clinics. The Group may invest a new media system to ensure the reliability of the display of advertisements.</p> |
| (iv) | Enhance our information management system | <p>The Group has appointed a contractor to develop a new advertising information management system for the bus advertising inventory management system. The new system has commenced service in July 2022 and successfully enhanced the efficiency of the operation work flow. The remaining proceeds will be reserved for other information technology enhancement projects in future.</p> |

Outlook

Hong Kong's overall economic condition has been slowly recovering in the second part of 2023 even though the business landscape is expected to be a challenge. Both the property and stock market have taken a hit due to liquidity slump and investor taken a "wait and see" attitude due to high interest rates. There is no sign of lowering interest rates in the USA as well as Hong Kong banking sector in coming quarter and this may continue to trigger a lukewarm market sentiment. Again, OOH market is very Hang Seng Index ("**HSI**") sensitive as clients may plan more advertising budget onto OOH when the HSI goes up to mimic the growth of the market and their business; hence the Group saw a market downturn during this past quarter.

The Group continues to foresee a gradual improvement in the Hong Kong market as seen by the slight improved turnover. In addition to seeking more business with our commercial clients, the Group continues to see a ramp up on our bus advertising platform due to the upcoming Hong Kong District Council elections. The Group's bus and minibus advertising formats and products suite ideally for the upcoming election in all 18 District Councils since many of our exclusive minibus routes with advertising opportunity runs into the different district community, where it places a unique solution for the candidates' to advertise for their service in that particular district. Again, traditionally, our minibus advertising will see a surge in sales turnover during the election seasons. The Group is trying to capitalize on this prospective business opportunity using our "district council election" package tailored for the advertisers in this segment. Hopefully that would lead to a healthy growth in the coming two quarters in 2023.

In terms of expanding the Group's OOH advertising business, we continue to explore business proposals in the Hong Kong Government sector and the discussion is still at its initial stage. The Group's goal is to develop a new or improve an existing OOH platform using some of the Hong Kong Government's assets which has been underutilized by the OOH advertising market.

Interim Dividend

The Board does not declare the payment of an interim dividend for the six months period ended 30 September 2023 (for the six months period ended 30 September 2022: Nil).

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation

As at 30 September 2023, the interests and short positions of the Directors and the chief executive 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:

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

Notes:

- (1) The letter "L" denotes the entity/person's long position in the ordinary 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	Capacity/ 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 2023, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as is known to the Directors, as at 30 September 2023, the following persons/entities had the interests or short positions in the shares or 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:

Name of shareholder	Capacity/ Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of shareholding interest
Goldcore ⁽²⁾	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau ⁽²⁾	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
AL Capital Limited ⁽³⁾ ("AL Capital")	Beneficial owner	139,968,000 ordinary shares (L)	19.44%
Mr. LAU Anthony Chi Sing ⁽³⁾ ("Mr. Lau")	Interest in a controlled corporation	139,968,000 ordinary shares (L)	19.44%
Silver Pro ⁽⁴⁾	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva ⁽⁴⁾	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%
Ms. CHU Sau Kuen Jeanny ⁽⁴⁾	Interest of spouse (spouse of Mr. Da Silva)	93,960,000 ordinary shares (L)	13.05%

Notes:

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

Save as disclosed above and so far as is known to the Directors, as at 30 September 2023, 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 Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation" above, at no time during the six months period ended 30 September 2023 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 had purchased, sold or redeemed any of the Company's listed securities during the six months period ended 30 September 2023.

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 2023, no share option was outstanding under the Scheme. No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

Competing 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 had any other conflict of interests with the Group (other than being a Director and/or a director of its subsidiaries and their respective associates) during the six months period ended 30 September 2023.

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 2023.

Compliance with the Corporate Governance Code

The Company is committed to achieving a high standard 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 (the "**CG Code**") in Part 2 of Appendix 15 to the GEM Listing Rules.

Throughout the six months period ended 30 September 2023, 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 C.2.1 of the CG Code, as explained below:

Pursuant to the code provision C.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 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 also considers that the balance of power and authority is adequately ensured by the operations of the Board, which comprises experienced and high caliber individuals including three independent non-executive Directors which meets regularly to discuss issues affecting operations of the Group and all important decisions of the Group are made with the contribution of all Board members. The Board with the corporate governance committee of the Board will continue to review the Group's corporate governance policies and compliance with the CG Code each financial year/period.

Audit Committee

The Company established an audit committee of the Board (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and the code provisions D.3.3 and D.3.7 of the CG Code. The Audit Committee consists of all the three independent non-executive Directors being Mr. LAM Yau Fung Curt, Ms. SUEN Wan Nei Winnie and Ms. LAM Hiu Ying. Mr. LAM Yau Fung Curt serves as the chairman 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 the 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 2023 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*)

Mr. LEAN Chun Wai

Non-Executive Director

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors

Mr. LAM Yau Fung Curt

Ms. SUEN Wan Nei Winnie

Ms. LAM Hiu Ying

On behalf of the Board of
OOH Holdings Limited
CHAU Wai Chu Irene
Chairlady and Chief Executive Officer

Hong Kong, 7 November 2023