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**Guoen Holdings Limited**  
**國恩控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8121)**

**FIRST QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE THREE MONTHS ENDED 30 JUNE 2023**

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

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

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

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

## **FINANCIAL HIGHLIGHTS**

### **Revenue and gross profit**

The Group's total revenue increased by approximately 6.93% from approximately HK\$28.37 million for the three months ended 30 June 2022 to approximately HK\$30.33 million for the three months ended 30 June 2023. Such increase was mainly attributable to the increase in revenue from creative and technology services, partially offset by the decrease in revenue from social media management services and digital advertisement placement services. The Group's gross profit margin increased from approximately 17.96% for the three months ended 30 June 2022 to approximately 19.61% for the three months ended 30 June 2023. The increase in gross profit margin was mainly attributable to decrease in operation costs incurred in cost of services. As a result, the Group's gross profit increased by approximately 16.76% from approximately HK\$5.10 million for the three months ended 30 June 2022 to approximately HK\$5.95 million the three months ended 30 June 2023.

### **Loss for the period attributable to owners of the Company**

The Group recorded a loss of approximately HK\$0.03 million for the three months ended 30 June 2023, as compared to that of approximately HK\$2.84 million for the three months ended 30 June 2022. The decrease in loss attributable to owners of the Company was mainly due to the following reasons:

- 1) the increase in revenue generated from the provision of creative and technology services;
- 2) the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses; and
- 3) a decrease in marketing-related expenses incurred in selling expenses.

### **Interim Dividend**

The Board has resolved not to recommend an interim dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: Nil).

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 30 June 2023 (the “**Period**”) together with the unaudited comparative figures for the corresponding period in 2022 as follows:

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

*For the three months ended 30 June 2023*

		<b>Three months ended</b>	
		<b>30 June</b>	
	<i>NOTES</i>	<b>2023</b>	2022
		<b>(unaudited)</b>	(unaudited)
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	4	<b>30,334</b>	28,367
Cost of services		<b>(24,385)</b>	(23,272)
Gross profit		<b>5,949</b>	5,095
Other income and gains, net	5	<b>64</b>	1,721
Selling expenses		<b>(1,466)</b>	(2,345)
Administrative expenses		<b>(4,745)</b>	(7,542)
Reversal of impairment loss on trade receivables		<b>202</b>	275
Finance costs		<b>(38)</b>	(44)
Loss before tax		<b>(34)</b>	(2,840)
Income tax expense	6	<b>–</b>	–
Loss for the period attributable to owners of the Company	8	<b>(34)</b>	(2,840)
<b>Other comprehensive income</b>			
<i>Item that will be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translating foreign operations		<b>340</b>	242
Other comprehensive income for the period		<b>340</b>	242
Total comprehensive income (expense) for the period attributable to owners of the Company		<b>306</b>	(2,598)
Loss per share			
Basic and diluted (HK cent)	9	<b>(0.02)</b>	(1.70)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Other reserve (Note) <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2023 (audited)	<u>16,672</u>	<u>78,559</u>	<u>(810)</u>	<u>48,903</u>	<u>(123,305)</u>	<u>20,019</u>
Loss for the Period	-	-	-	-	(34)	(34)
Other comprehensive income for the Period						
– Exchange differences arising on translating foreign operations	<u>-</u>	<u>-</u>	<u>340</u>	<u>-</u>	<u>-</u>	<u>340</u>
Total comprehensive income (expense) for the Period	<u>-</u>	<u>-</u>	<u>340</u>	<u>-</u>	<u>(34)</u>	<u>306</u>
Deemed capital contribution arising from non-current interest-free shareholder's loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>(11)</u>
At 30 June 2023 (unaudited)	<u><u>16,672</u></u>	<u><u>78,559</u></u>	<u><u>(470)</u></u>	<u><u>48,892</u></u>	<u><u>(123,339)</u></u>	<u><u>20,314</u></u>

*Note:*

Other reserve represented the difference between the nominal amount of the share capital and share premium of AdBeyond Holdings Limited and the nominal amount of the share capital issued by the Company pursuant to the group reorganisation on 16 May 2015.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)***For the three months ended 30 June 2022*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Other reserve (Note) <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022 (audited)	<u>16,672</u>	<u>78,559</u>	<u>(1,187)</u>	<u>46,657</u>	<u>(117,408)</u>	<u>23,293</u>
Loss for the period	-	-	-	-	(2,840)	(2,840)
Other comprehensive income for the period						
– Exchange differences arising on translating foreign operations	<u>-</u>	<u>-</u>	<u>242</u>	<u>-</u>	<u>-</u>	<u>242</u>
Total comprehensive income (expense) for the period	<u>-</u>	<u>-</u>	<u>242</u>	<u>-</u>	<u>(2,840)</u>	<u>(2,598)</u>
At 30 June 2022 (unaudited)	<u><u>16,672</u></u>	<u><u>78,559</u></u>	<u><u>(945)</u></u>	<u><u>46,657</u></u>	<u><u>(120,248)</u></u>	<u><u>20,695</u></u>

*Note:*

Other reserve represented the difference between the nominal amount of the share capital and share premium of AdBeyond Holdings Limited and the nominal amount of the share capital issued by the Company pursuant to the group reorganisation on 16 May 2015.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2023*

## 1. GENERAL

The Company was incorporated on 10 January 2014 in the Cayman Islands as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. Its shares (the “**Shares**”) have been listed on GEM of the Stock Exchange since 29 May 2015 (the “**Listing**”). The addresses of the registered office and principal place of business in Hong Kong of the Company are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and Unit 1201 & 16, 12/F, Two Harbour Square, No. 180 Wai Yip Street, Kwun Tong, Hong Kong, respectively.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are investment holding, provision of digital media services and provision of marketing services.

Other than the subsidiaries of the Company established in the People’s Republic of China (the “**PRC**”) whose functional currency is Renminbi (“**RMB**”) and Taiwan dollars (“**TWD**”), the functional currency of the remaining subsidiaries of the Company is Hong Kong dollars (“**HK\$**”).

The unaudited condensed consolidated financial statements of the Group are presented in HK\$, which is the same as the functional currency of the Company.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 March 2023 which has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The unaudited condensed consolidated financial statements for the Period comprises the Company and its subsidiaries.

The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the audited consolidated financial statements of the Company for the year ended 31 March 2023.

The unaudited condensed consolidated financial statements has been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of the unaudited condensed consolidated financial statements for the Period requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

During the Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2023. The application of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated financial statements and amounts reported for the current period and prior period. The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of these new standards, amendments and interpretations will have no material impact on the unaudited condensed consolidated financial statements of the Group.

### 4. REVENUE

Revenue represents revenue generated from the provision of digital advertisement placement services, social media management services and creative and technology services. The following is an analysis of the Group's revenue for the relevant periods:

	Three months ended	
	30 June	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Social media management services	7,356	8,794
Digital advertisement placement services	1,336	2,642
Creative and technology services	21,642	16,931
	<u>30,334</u>	<u>28,367</u>

### 5. OTHER INCOME AND GAINS, NET

	Three months ended	
	30 June	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Bank interest income	35	11
Government subsidies (Note)	–	1,564
Sundry income	29	146
	<u>64</u>	<u>1,721</u>

*Note:*

Government subsidies represented cash subsidies granted by Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund amounting to approximately HK\$1,564,000 from the Employment Support Scheme.

## 6. INCOME TAX EXPENSE

	Three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Current tax:		
Hong Kong Profit Tax	-	-
PRC Enterprise Income Tax	-	-
Taiwan Corporate Income Tax	-	-
	<hr/>	<hr/>
	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

No provision for Hong Kong Profits Tax has been made for the Period as there was no assessable profits for the Period. Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Company is 25% for the Period.

Corporate Income Tax in Taiwan is charged 20% for the Period.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

## 7. DIVIDENDS

Dividend recognised as distribution during the periods is as follows:

	Three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Interim dividend	-	-
	<hr/> <hr/>	<hr/> <hr/>



## 8. LOSS FOR THE PERIOD

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

	Three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Directors' and chief executive's emoluments	538	2,130
Other staff costs (excluding Directors' and chief executive's emoluments)	7,210	9,725
Retirement benefits scheme contributions (excluding Directors' and chief executive's emoluments)	226	333
Total staff costs	<u>7,974</u>	<u>12,188</u>
Gross rental income from investment properties	–	–
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the period	–	–
Direct operating expenses incurred for investment properties that did not generate rental income during the period	2	12
	<u>2</u>	<u>12</u>
Depreciation of plant and equipment	150	417
Depreciation of investment properties	9	9
Depreciation of right-of-use assets	474	1,245
Net foreign exchange loss	<u>785</u>	<u>586</u>

## 9. LOSS PER SHARE

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

	Three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic loss per Share	<u>(34)</u>	<u>(2,840)</u>
<b>Number of Shares</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary Shares for the purpose of basic and diluted loss per Share	<u>166,720</u>	<u>166,720</u>

The weighted average number of ordinary shares in issue during the three months ended 30 June 2023 represented 166,720,000 ordinary shares in issue (three months ended 30 June 2022: 166,720,000 ordinary shares in issue).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECTS**

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

While Hong Kong and Mainland China have maintained strict controls over the past year, many countries have lifted lockdown restrictions. In response to the changing business environment, our Group has taken proactive measures to adapt to the new normal. We have maintained a balanced client portfolio and implemented cost-saving measures to ensure our operations remain stable. Additionally, we have diversified our customer base and expanded into new segments to broaden our revenue streams in this ever-changing environment.

As the borders reopened in early 2023, Hong Kong-based businesses have new opportunities to expand their reach and gain access to more customers and markets. For our Group, the reopening of borders presents a significant opportunity to help brands reach new customers and drive growth. The increase in client inquiries we have received since the reopening of borders is an encouraging sign for the industry and reflects growing optimism in market demand.

Furthermore, the gradual resumption of tourism is another positive sign of growth. With borders opening up and travel becoming more feasible, we are ready to support our clients in the travel sector and help them take advantage of these opportunities. Our team is well-equipped to provide customized solutions to meet the unique needs of clients in this sector.

Looking ahead, the Group will maintain its focus on reinforcing its position in the digital marketing sector. We acknowledge the potential of artificial intelligence in revolutionizing our operations, optimizing processes, and improving overall efficiency. By utilizing cutting-edge AI tools, we aim to deliver even more effective and efficient services to our clients.

## **FINANCIAL REVIEW**

### **Revenue and gross profit**

The Group's total revenue was generated from the integrated digital marketing business which was derived from the provision of (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services.

For the Period, the Group's revenue generated from (i) social media management services amounted to approximately HK\$7.35 million (three months ended 30 June 2022: approximately HK\$8.80 million), accounting for approximately 24.25% of our total revenue (three months ended 30 June 2022: approximately 30.99%); (ii) digital advertisement placement services amounted to approximately HK\$1.34 million (three months ended 30 June 2022: approximately HK\$2.64 million), accounting for approximately 4.40% of our total revenue (three months ended 30 June 2022: approximately 9.32%); and (iii) creative and technology services amounted to approximately HK\$21.64 million (three months ended 30 June 2022: approximately HK\$16.93 million), accounting for approximately 71.35% of our total revenue (three months ended 30 June 2022: approximately 59.69%).

The Group's total revenue increased by approximately 6.93% from approximately HK\$28.37 million for the three months ended 30 June 2022 to approximately HK\$30.33 million for the Period. The increase in total revenue was mainly attributable to the increase in revenue from creative and technology services, partially offset by the decrease in revenue from social media management services and digital advertisement placement services. The Group's gross profit margin increased from approximately 17.96% for the three months ended 30 June 2022 to approximately 19.61% for the Period. The increase in gross profit margin was mainly attributable to decrease in operation costs incurred in cost of services. As a result, the Group's gross profit increased by approximately 16.76% from approximately HK\$5.10 million for the three months ended 30 June 2022 to approximately HK\$5.95 million for the Period.

### **Other income and gains, net**

The Group's other income or gains decreased from approximately HK\$1.72 million for the three months ended 30 June 2022 to approximately HK\$0.06 million for the Period, which was mainly attributable to the decrease in subsidy income received from Hong Kong Government under the Employment Support Scheme.

### **Selling expenses**

The Group's selling expenses decreased by approximately 37.48% from approximately HK\$2.35 million for the three months ended 30 June 2022 to approximately HK\$1.47 million for the Period. The selling expenses mainly comprised sales staff costs, sales commission and marketing-related expenses. The decrease in selling expenses for the Period was mainly driven by the decrease in marketing-related expenses and sales staff costs.

## **Administrative expenses**

The Group's administrative expenses decreased by approximately 37.09% from approximately HK\$7.54 million for the three months ended 30 June 2022 to approximately HK\$4.75 million for the Period. The administrative expenses mainly comprised administrative staff costs, depreciation of right-of-use assets, utility expenses, building management fees, recruitment-related expenses, and legal and professional fees. The decrease in administrative expenses for the Period was mainly driven by the decrease in administrative staff costs.

## **Finance costs**

The Group's finance cost amounted to approximately HK\$0.04 million for the Period (three months ended 30 June 2022: approximately HK\$0.04 million). This item comprised interest expenses on lease liabilities and capital contribution arising from non-current interest-free shareholder's loan.

## **Income tax expenses**

The Group's income tax expense was nil for the Period (three months ended 30 June 2022: Nil).

## **Loss for the period attributable to owners of the Company**

For the Period, loss attributable to owners of the Company amounted to approximately HK\$0.03 million (three months ended 30 June 2022: approximately HK\$2.84 million). The decrease in loss attributable to owners of the Company was mainly due to (i) the increase in revenue generated from the provision of creative and technology services; (ii) the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses; and (iii) a decrease in marketing-related expenses incurred in selling expenses.

## **CHANGES IN INFORMATION OF DIRECTORS**

Mr. Tso Ping Cheong, Brian resigned as an independent non-executive Director and Mr. Bian Wencheng has been appointed as an independent non-executive Director with effect from 23 May 2023, respectively. For further details, please refer to the announcement of the Company dated 23 May 2023. Mr. David Tsoi resigned as an independent non-executive Director and Ms. Fu Hongzhi has been appointed as an independent non-executive Director with effect from 8 August 2023, respectively. For further details, please refer to the announcement of the Company dated 8 August 2023.

## **EVENT AFTER THE REPORTING PERIOD**

No significant event has occurred subsequent to 30 June 2023 and up to the date of this announcement.

## **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend for the Period (three months ended 30 June 2022: Nil).

## **SIGNIFICANT INVESTMENTS HELD**

### **Investment Properties**

As at 30 June 2023, the Group had investment properties measured at cost less accumulated depreciation and impairment, the aggregate carrying amount of which amounted to approximately HK\$1.17 million (31 March 2023: approximately HK\$1.18 million), which consisted of 1 car park space (31 March 2023: 1 car park space). The Group intends to hold the investment properties for capital appreciation.

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

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or 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”)) (i) which were required 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 (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

## Long positions in the Shares of the Company

Name	Nature of interest	Total number of Shares held	Percentage of shareholding
Mr. Yip Shek Lun ("Mr. Alan Yip") (Chief executive officer and chairman of the Board)	Interests held jointly with another person ( <i>Note 1</i> ) Interest in controlled corporation ( <i>Note 2</i> )/Interest of spouse ( <i>Note 3</i> )	8,000 2,000	0.005% 0.001%
Ms. Wan Wai Ting ("Ms. Karin Wan")	Interests held jointly with another person ( <i>Note 1</i> ) Interest in controlled corporation ( <i>Note 2</i> )/Interest of spouse ( <i>Note 3</i> )	8,000 2,000	0.005% 0.001%
Mr. Ng Chi Fung ("Mr. Jeff Ng")	Interests held jointly with another person ( <i>Note 1</i> ) Beneficial owner	2,000 8,000	0.001% 0.005%
Mr. Yin Di	Beneficial owner	44,250,000	26.542%

### Notes:

- Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Wang Lai Man, Liza ("Ms. Liza Wang") are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. By a deed of confirmation and undertaking entered into among Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang dated 2 January 2014 (the "Acting in Concert Confirmation and Undertaking"), each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang confirmed that, inter alia, they had exercised their voting rights at the meetings of the shareholders and/or directors of members of the Group in unanimity since 1 April 2011 and had undertaken to continue to do so upon the execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing.
- These Shares are held by Cooper Global Capital Limited ("Cooper Global"), which is owned as to 50.00% by Mr. Alan Yip and 50.00% by Ms. Karin Wan. By virtue of the SFO, Mr. Alan Yip and Ms. Karin Wan are deemed to be interested in the Shares held by Cooper Global.
- Mr. Alan Yip is the spouse of Ms. Karin Wan. Under the SFO, Mr. Alan Yip is deemed to be interested in all the Shares in which Ms. Karin Wan is interested. Ms. Karin Wan is the spouse of Mr. Alan Yip. Under the SFO, Ms. Karin Wan is deemed to be interested in all the Shares in which Mr. Alan Yip is interested.

Save as disclosed above, as at 30 June 2023, none of the Directors nor chief executive of the Company has registered an interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

So far as the Directors are aware, as at 30 June 2023, no persons (other than the Directors or chief executive of the Company) had or deemed or were taken to have any interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company's share option scheme (the "**Share Option Scheme**") was conditionally approved by the Company pursuant to the written resolutions of all the then shareholders of the Company dated 20 May 2015. During the Period, no awards or share option has been granted, exercised, expired, forfeited, cancelled or lapsed under the Share Option Scheme. As at 30 June 2023, the outstanding number of share options available for grant under the Share Option Scheme is 166,720,000 share options to subscribe for Shares, which, if granted and exercised in full, represent approximately 10% of the Shares in issue as at the date of this announcement.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the Period.

## **DEED OF NON-COMPETITION**

A deed of non-competition dated 20 May 2015 has been entered into by Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan, Ms. Liza Wang and Cooper Global, all being the Company's controlling shareholders, in favour of the Company regarding certain non-competition undertakings. The details of the deed of non-competition have been disclosed in the section headed "Relationship with Our Controlling Shareholders" in the Prospectus of the Company dated 22 May 2015.

## **CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”) as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the Period and up to the date of this announcement.

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

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the Period, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

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

During the Period, the Company has complied with the code provisions, other than Provision C.2.1 of part 2 of the CG Code.



Provision C.2.1 of part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Alan Yip is the chairman of the Board and the chief executive officer of the Company and has been managing the Group's business and overall strategic planning since its establishment. The Directors believe that the vesting of the roles of chairman of the Board and chief executive officer in Mr. Alan Yip is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group and that the current management has been effective in the development of the Group and the implementation of business strategies under the leadership of Mr. Alan Yip. In allowing the two roles to be vested in the same person, the Group believes that both positions require in-depth knowledge and considerable experience of the Group's business and Mr. Alan Yip is the most suitable person to occupy both positions for effective management of the Group. Accordingly, the Company has not segregated the roles of its chairman of the Board and chief executive officer of the Company as required by Provision C.2.1 of part 2 of the CG Code.

## **AUDIT COMMITTEE**

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. As at the date of this announcement, the Audit Committee comprised three members, namely, Ms. Fu Hongzhi, Mr. Bian Wencheng and Mr. Hong Ming Sang, who are independent non-executive Directors. Ms. Fu Hongzhi has appropriate professional qualifications and experience in accounting matters. She has been the chairman of the Audit Committee since 8 August 2023. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor, reviewing the financial information, overseeing the Group's financial reporting process, internal control, risk management systems and audit process and performing other duties and responsibilities assigned by the Board.

The auditor of the Company has not audited or reviewed the condensed consolidated results of the Group for the Period, but the Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the Period and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board  
**Guoen Holdings Limited**  
**Yip Shek Lun**

*Chairman of the Board, Chief Executive Officer and Executive Director*

Hong Kong, 11 August 2023

*As at the date of this announcement, the executive Directors are Mr. Yip Shek Lun, Mr. Ng Chi Fung, Mr. Yin Di and Ms. Wan Wai Ting; and the independent non-executive Directors are Ms. Fu Hongzhi, Mr. Bian Wencheng and Mr. Hong Ming Sang.*

*This announcement will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listed Company Information" page for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at [www.guruonline.com.hk](http://www.guruonline.com.hk).*