



# CHINA 33 MEDIA GROUP LIMITED 中國三三傳媒集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8087



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*This report for which the directors (the "Directors") of China 33 Media Group 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 of the Company, 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.*



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

For the six months ended 30 June 2024

## UNAUDITED INTERIM RESULTS

The unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024, together with the comparative unaudited figures for the corresponding periods in 2023, are as follows:

	Notes	Six months ended 30 June	
		2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
REVENUE	4	17,948	19,055
Cost of sales		(6,233)	(13,272)
Gross profit		11,715	5,783
Other income		4,573	4,810
Other gains and losses, net	5	(6,808)	(1,848)
Selling and distribution expenses		(1,970)	(983)
Administrative expenses		(12,170)	(9,219)
Finance cost	6	(708)	(720)
LOSS BEFORE TAXATION		(5,368)	(2,177)
Taxation	7	–	–
LOSS FOR THE PERIOD	8	(5,368)	(2,177)

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

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
OTHER COMPREHENSIVE (EXPENSES)/INCOME FOR THE PERIOD:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(2,464)	2,262
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE PERIOD		(7,832)	85
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(5,160)	(2,163)
Non-controlling interests		(208)	(14)
		(5,368)	(2,177)
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:			
Owners of the Company		(7,624)	99
Non-controlling interests		(208)	(14)
		(7,832)	85
		<b>RMB cents</b>	RMB cents
BASIC AND DILUTED LOSS PER SHARE	10	(2.99)	(1.25)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		4,919	4,193
Right-of-use assets		488	834
Prepayments and deposits		5,307	5,161
		<b>10,714</b>	10,188
<b>Current assets</b>			
Trade receivables	11	32,886	36,440
Prepayments, deposits and other receivables		10,138	13,195
Financial assets at fair value through profit or loss		9,069	15,569
Restricted cash		242,216	181,209
Cash and cash equivalents		21,924	16,805
		<b>316,233</b>	263,218
<b>Current liabilities</b>			
Trade payables	12	28,459	19,053
Other payables and accruals	12	254,491	203,470
Contract liabilities		–	266
Lease liabilities		526	741
Bond payable		13,908	12,918
Tax payable		3,003	2,434
		<b>300,387</b>	238,882
<b>Net current assets</b>		<b>15,846</b>	24,336
<b>Total assets less current liabilities</b>		<b>26,560</b>	34,524

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Note	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
<b>Non-current liabilities</b>			
Lease liabilities		–	132
		–	132
<b>Net assets</b>			
		<b>26,560</b>	34,392
<b>Capital and reserves</b>			
Share capital	13	1,115	1,115
Reserves		27,144	34,768
<b>Equity attributable to owners of the Company</b>			
		<b>28,259</b>	35,883
<b>Non-controlling interests</b>		<b>(1,699)</b>	(1,491)
<b>Total equity</b>			
		<b>26,560</b>	34,392

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company								Total	Non-controlling interests	Total equity
	Issued capital	Share premium account	Capital reserve	Statutory reserve	Share redemption reserve	Exchange reserve	Share option reserve	Accumulated losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 (audited)	44,567	626,463	26,239	13,174	19	23,748	2,447	(651,181)	85,476	(1,451)	84,025
Loss for the period	-	-	-	-	-	-	-	(2,163)	(2,163)	(14)	(2,177)
Exchange differences on translation of foreign operations	-	-	-	-	-	2,262	-	-	2,262	-	2,262
Total comprehensive expense for the period	-	-	-	-	-	2,262	-	(2,163)	99	(14)	85
<b>At 30 June 2023 (unaudited)</b>	<b>44,567</b>	<b>626,463</b>	<b>26,239</b>	<b>13,174</b>	<b>19</b>	<b>26,010</b>	<b>2,447</b>	<b>(653,344)</b>	<b>85,575</b>	<b>(1,465)</b>	<b>84,110</b>
At 1 January 2024 (audited)	1,115	626,463	69,691	13,174	19	29,841	2,447	(706,867)	35,883	(1,491)	34,392
Loss for the period	-	-	-	-	-	-	-	(5,160)	(5,160)	(208)	(5,368)
Statutory reduction	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	(2,464)	-	-	(2,464)	-	(2,464)
Total comprehensive expense for the period	-	-	-	-	-	(2,464)	-	(5,160)	(7,624)	(208)	(7,832)
Lapse of share options	-	-	-	-	-	-	(2,447)	2,447	-	-	-
<b>At 30 June 2024 (unaudited)</b>	<b>1,115</b>	<b>626,463</b>	<b>69,691</b>	<b>13,174</b>	<b>19</b>	<b>27,377</b>	<b>-</b>	<b>(709,580)</b>	<b>28,259</b>	<b>(1,699)</b>	<b>26,560</b>



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Net cash from/(used in) operating activities	5,914	(12,263)
Net cash from investing activities	1,026	21,447
Net cash from/(used in) financing activities	643	(1,231)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,583</b>	<b>7,953</b>
Cash and cash equivalents at beginning of period	16,805	2,941
Effect of foreign exchange rate changes, net	(2,464)	469
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>21,924</b>	<b>11,363</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

China 33 Media Group Limited (the “Company”) is a public limited company incorporated in Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. Its parent is Lizhong Limited incorporated in the Cayman Islands, and its ultimate parents are Joint Loyal Limited and Broad Win Limited incorporated in British Virgin Islands. Its ultimate controlling parties are Mr. Ruan Deqing (“Mr. Ruan”) and Mr. Lin Pintong (“Mr. Lin”). Mr. Ruan is also the Chairman and Executive Director of the Company. The addresses of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Unit 807, 8/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Hong Kong. The head office of the Company in the PRC is Unit 410-412, 4/F., One Indigo, 20 Jiuxianqiao Road, Chaoyang District, Beijing, China.

The principal activity of the Company is investment holding. During the six months ended 30 June 2024, the Group was principally engaged in the provision of outdoor and digital advertising services and prepaid card business.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of the GEM Listing Rules.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values as appropriate. They are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and method of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those applied in the Group’s audited consolidated financial statements for the year ended 31 December 2023.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 3. APPLICATION OF NEW AND REVISED IFRS

In the current period, the Group has applied the new and revised IFRSs issued by the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2024. The application of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior periods/years.

The Group has not early applied the new and revised IFRSs that have been issued but are not yet effective. The Directors anticipate that the application of the new and revised IFRSs will have no material impact on the results and financial position of the Group.

## 4. REVENUE AND OPERATING SEGMENT INFORMATION

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
An analysis of the Group's revenue for the period is as follows:		
Outdoor and digital advertising income	101	2,289
Film and entrainment investment income	–	5,365
Prepaid card income	17,847	11,401
<b>Total</b>	<b>17,948</b>	<b>19,055</b>

The Group's reportable and operating segments are as follows:

- (a) outdoor and digital advertising: income generated from online advertising through mobile applications and websites, etc. as well as sale of advertising spaces on the billboards and LEDs installed at certain railway stations, revenue from promotion campaigns conducted in train stations;
- (b) film and entertainment investment: investment for profit sharing on box office of movies and concerts and distribution income of film rights and television drama; and
- (c) prepaid card: transaction fees earned from participating service providers for the use of the prepaid cards by cardholders and other card related fees upon the provision of services.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 4. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Outdoor and digital advertising (unaudited) RMB'000	Film and entrainment investment (unaudited) RMB'000	Prepaid card (unaudited) RMB'000	Total (unaudited) RMB'000
<b>For the six months ended 30 June 2024</b>				
Segment revenue – external customers	101	–	17,847	17,948
Timing of revenue recognition				
At a point in time	–	–	17,847	17,847
Over time	101	–	–	101
<b>Segment (loss)/profit</b>	<b>(157)</b>	<b>–</b>	<b>6,787</b>	<b>6,630</b>
<i>Reconciliation:</i>				
Unallocated other income, other gains and losses, net				(4,535)
Finance cost				(708)
Corporate and other unallocated expenses				(6,755)
Loss before taxation				(5,368)

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 4. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Outdoor and digital advertising (unaudited) RMB'000	Film and entrainment investment (unaudited) RMB'000	Prepaid card (unaudited) RMB'000	Total (unaudited) RMB'000
<b>For the six months ended 30 June 2023</b>				
Segment revenue – external customers	2,289	5,365	11,401	19,055
Timing of revenue recognition				
At a point in time	–	5,365	11,401	16,766
Over time	2,289	–	–	2,289
<b>Segment profit/(loss)</b>	<b>(113)</b>	<b>(50)</b>	<b>3,016</b>	<b>2,853</b>
<i>Reconciliation:</i>				
Unallocated other income, other gains and losses, net				2,962
Finance cost				(726)
Corporate and other unallocated expenses				(7,266)
Loss before taxation				(2,177)

## 5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2024	2023
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Fair value change of financial assets at fair value through profit or loss	(6,808)	(1,833)
Others	–	(14)
<b>Total</b>	<b>(6,808)</b>	<b>(1,848)</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 6. FINANCE COST

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Interest expense on lease liabilities	42	20
Interest expense on corporate bond	666	700
	<b>708</b>	720

## 7. TAXATION

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment.) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 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 People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

## 8. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging:

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Depreciation	342	512
Depreciation on right of use assets	346	399
Employee benefit expense (including directors' remuneration):		
Salaries, bonuses and other benefits	6,266	5,718
Pension scheme contributions	328	357
Total employee benefit expenses	<b>6,594</b>	6,075

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 9. DIVIDENDS

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## 10. LOSS PER SHARE

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

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	(5,160)	(2,163)

	Number of shares	
	Six months ended 30 June	
	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	172,800	172,800

The calculation of the diluted loss per share for both periods did not assume the exercise of the Company's outstanding share options as the effect is anti-dilutive.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 11. TRADE RECEIVABLES

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Trade receivables	94,881	96,903
Less: Allowance for expected credit losses	(61,995)	(60,463)
	<b>32,886</b>	36,440

The Group's credit terms with its customers generally range from 30 days to 365 days. The Group seeks to apply strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing. As at the end of the reporting period, an aged analysis of the trade receivables, net of allowance for bad and doubtful debts, presented based on the respective dates on which revenue was recognised are as follows:

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Trade receivables:		
Within 90 days	3,283	5,302
91-180 days	2,069	756
181-365 days	5,083	4,151
Over 1 year	22,451	26,231
	<b>32,886</b>	36,440



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 12. TRADE PAYABLES/OTHER PAYABLES AND ACCRUALS

### Trade payables

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Within 90 days	14,153	11,075
91-180 days	7,841	2,175
Over 181 days	6,465	5,803
	<b>28,459</b>	19,053

### Other payables and accruals

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Other payables (Note)	204,077	151,166
Accrued salaries and staff welfare	237	274
Other accruals	48,931	50,302
Other tax payable	1,246	1,728
	<b>254,491</b>	203,470

Note: Other payables amounting RMB197,000,000 (31 December 2023: RMB151,166,000) was related to restricted cash received from prepaid card holders and held for who in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 13. SHARE CAPITAL

	Number of share	Share Capital US\$'000	Share Capital RMB'000
Ordinary shares of US\$0.001			
Authorised:			
As at 1 January 2023	1,000,000,000	40,000	N/A
Share sub-division	39,000,000,000	–	N/A
<hr/>			
As at 31 December 2023, 1 January 2024 and 30 June 2024	40,000,000,000	40,000	N/A
<hr/>			
Issued and fully paid:			
As at 1 January 2023	172,800,000	6,912	44,567
Capital reduction	–	(6,739)	(43,452)
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As at 31 December 2023, 1 January 2024 and 30 June 2024	172,800,000	173	1,115

## 14. RELATED PARTY TRANSACTIONS

### Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid/payable to the Company's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Short term employee benefit	596	583
Post employment benefit	16	10
<hr/>		
	612	593

# MANAGEMENT DISCUSSION AND ANALYSIS AND DISCLOSURE OF ADDITIONAL INFORMATION

## BUSINESS AND FINANCIAL REVIEW

The principal business of the Group during the period under review included outdoor and digital advertising and prepaid card business. The Group's total revenue for the six months ended 30 June 2024 amounted to approximately RMB17,847,000, representing a decrease of approximately RMB1,208,000 or 6.3% as compared to approximately RMB19,055,000 for the corresponding period last year, mainly contributed by the decrease of revenue from outdoor and digital advertising and film and entertainment investment business due to the fierce competition in the industry and change in market trend.

Overall gross profit increased by approximately RMB5,932,000 or 102.6% to approximately RMB11,715,000 for the six months ended 30 June 2024 from approximately RMB5,783,000 for the corresponding period last year. The gross profit margin for the current period increased to approximately 65.6% from approximately 30.3% in the corresponding period last year. The total comprehensive expense attributable to owners of the Company for the current period amounted to approximately RMB7,624,000, representing a decrease of approximately RMB7,723,000 as compared the total comprehensive income attributable to owners of the Company amounted to approximately RMB99,000 for the corresponding period of last year. The decrease was mainly attributable to the exchange differences on translation of foreign operations.

### Outdoor and Digital Advertising

Revenue from outdoor advertising represented the advertising income generated from the sales of advertising spaces on the billboards and LEDs installed at certain selected train stations and revenue from promotion campaign conducted in some train stations. Revenue was recognised when advertising was published or station campaigns were launched.

Revenue from digital advertising was recognised when advertising was published, and the income was based on the marketing value generated through the recognition of transaction volume, service fees for advertising design, analysis, planning and other services provided in the process.

Revenue from outdoor and digital advertising decreased by approximately RMB2,188,000 or 95.6% from approximately RMB2,289,000 for the corresponding period last year to approximately RMB101,000 for the six months ended 30 June 2024. The decrease was mainly due to the fierce competition in the industry which led to reduced number of customers.

Segment loss from outdoor and digital advertising for the six months ended 30 June 2024 amounted to approximately RMB157,000, representing an increase of approximately RMB44,000 or 38.9% as compared to approximately RMB113,000 for the corresponding period last year.

### Film and Entertainment Investment

Revenue from film and entertainment investment represents profit sharing on box office of movies and concerts and distribution income of film rights and television drama. Revenue from the distribution of film rights and entertainment was recognised when (i) the Group's entitlement to such payments has been established which was upon the delivery of the master copy or materials to the customers, and (ii) the collectability of proceeds was reasonably assured.

No revenue was generated from the film and entertainment business for the six months ended 30 June 2024 as compared to approximately RMB5,365,000 for the corresponding period last year. The frequency of income from film and entertainment business was highly depending on the production status and the market trend for the respective periods. In recent years, the film and entertainment business of the Group has experienced a notable downturn, marked by various challenges and setbacks. The significant factors contributing to this decline are the disrupted film/drama production schedules, delayed releases, the tightened tax practices of the PRC and increased government censorship and regulation in the PRC, leading to limitations on thematic content in films/dramas. The Group has ceased further investment on this segment.

# MANAGEMENT DISCUSSION AND ANALYSIS AND DISCLOSURE OF ADDITIONAL INFORMATION

Segment loss from film and entertainment business for the six months ended 30 June 2024 amounted to RMB0, representing a decrease of approximately RMB50,000 or 100% as compared to approximately RMB50,000 the corresponding period last year.

## Prepaid Card

The Group obtained the Stored Value Facilities License (“SVF License”) in November 2016. Revenue from prepaid card business mainly represent the transaction fees recognised when the prepaid cardholders made payments of fares using the prepaid card and the card related fees when the service was provided. Revenue from prepaid card business increased by approximately RMB6,446,000 or 56.5% from approximately RMB11,401,000 for the corresponding period last year to approximately RMB17,847,000 for the six months ended 30 June 2024. It was mainly attributable to the increase in number of sales channels and clients which increased the transaction related fees. The larger card base also bring in additional income from card related services fees, for instance card management fee.

Segment profit from prepaid card business for the six months ended 30 June 2024 amounted to approximately RMB6,787,000, representing an increase of approximately RMB3,771,000 or 125.0% as compared to approximately RMB3,016,000 for the corresponding period last year.

## Cost of Sales

Cost of sales mainly consists of production cost for film and entertainment projects, agency fee for advertising medium, prepaid card transaction processing costs and direct labor cost. Cost of sales decreased from approximately RMB13,272,000 for the corresponding period last year to approximately RMB6,233,000 for the six months ended 30 June 2024, representing a decrease of approximately RMB7,039,000 or 53.0%. The decrease was mainly contributed by the declined revenue and agency cost driven by the outdoor and digital advertising business.

## Other Income

Other income mainly consists of bank interest income, government grant and income received from managing a prepaid card sales counter for a co-branded partner. Other income decreased from approximately RMB4,810,000 for the corresponding period last year to approximately RMB4,573,000 for the six months ended 30 June 2024, representing an increase of approximately RMB237,000 or 4.9%.

## Other Gains and Losses, Net

Other gains and losses increased by approximately RMB4,960,000 or 268.4% from a net loss of approximately RMB1,848,000 for the corresponding period last year to a net loss of RMB6,808,000 for the six months ended 30 June 2024. The increase was mainly due to higher fair value loss on financial assets at fair value through profit or loss recognised during the six months ended 30 June 2024.

## Selling and Distribution Expenses

Selling and distribution expenses mainly include advertising and marketing expenses, salaries, commissions to sales staff and travelling and related expenses. Selling and distribution expenses decreased by approximately RMB987,000 or 100.4% from approximately RMB983,000 for the corresponding period last year, to approximately RMB1,970,000 for the six months ended 30 June 2024. The increase was mainly contributed by higher advertising and marketing expenses incurred.

## Administrative Expenses

Administrative expenses mainly consists of salaries, depreciation, rental expense and legal and professional fees. Administrative expenses increased from approximately RMB9,219,000 for the corresponding period last year to approximately RMB12,170,000 for the six months ended 30 June 2024, representing an increase of approximately RMB2,951,000 or 32.0%, which was mainly due to higher corporate expenses incurred during the six months ended 30 June 2024.

## Liquidity and Financial Resources

As at 30 June 2024, the Group’s cash and cash equivalents amounted to approximately RMB264,140,000. As at 30 June 2024, the Group had a bond payable in the principal amount of HK\$12 million (31 December 2023: HK\$12 million).

# MANAGEMENT DISCUSSION AND ANALYSIS AND DISCLOSURE OF ADDITIONAL INFORMATION

As at 30 June 2024, the current ratio of the Group was approximately 1.05 (31 December 2023: 1.10) and gearing ratio of the Group, which was calculated based on the Group's net debt divided by the equity attributable to owners of the Company plus net debt, was approximately 0.54 (31 December 2023: 0.52). The Group satisfied its working capital needs principally from internally generated cash flow from operating activities.

## Pledge of Assets

As at 30 June 2024, none of the assets of the Group has been pledged to secure any loan granted to the Group (31 December 2023: nil).

## Restricted Cash

As at 30 June 2024, the Group has approximately RMB242,216,000 (31 December 2023: RMB181,209,000) monies received from sale and reloading of prepaid cards maintained in one or more segregated bank accounts. The increase in restricted cash by approximately 33.7% when compared to the corresponding period last year was contributed by increase in the amount of prepaid cards sold.

## CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any significant contingent liabilities (as at 31 December 2023: nil).

## CAPITAL COMMITMENTS

As at 30 June 2024, the Group did not have any significant capital commitment (as at 31 December 2023: nil).

## FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC and Hong Kong with most of the transactions settled in Renminbi and Hong Kong Dollars. The Group's cash and bank deposits are mainly denominated in Hong Kong Dollars and Renminbi. The Directors consider that the Group's risk in foreign exchange is insignificant. During the six months ended 30 June 2024, the Group did not hedge any exposure in foreign currency risk.

## HUMAN RESOURCES

As at 30 June 2024, the Group had a total of 34 employees (30 June 2023: 28 employees) situated in the PRC and Hong Kong. The Group's emolument policy is formulated based on industry practices and performance of individual employees. During the six months ended 30 June 2024, the total staff costs (including Directors' emoluments) amounted to approximately RMB6,594,000 (six months ended 30 June 2023: RMB6,075,000).

## PROSPECTS

Looking forward, the Group will continue to focus on the business development of prepaid card business. The business environment is surrounded by uncertainties and the financial performance of the Group may continue to be affected in the year of 2024. The Group is actively looking for business opportunities in order to achieve sustainable growth. The Group will work as a whole to cope with the situation, strengthen cost control and adopt appropriate measures to develop our businesses in the year ahead.

## CORPORATE GOVERNANCE

Recognising the importance of a listed company's responsibilities to enhance its transparency and accountability, the Company is committed to maintain a high standard of corporate governance in the interests of its shareholders. The Company devotes to best practice on corporate governance and to comply, to the extent practicable, with the code provisions as set out in the Corporate Governance Code in Appendix C1 to the GEM Listing Rules (the "CG Code"). To the best knowledge of the Board, the Company has complied with the CG Code during the six months ended 30 June 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS AND DISCLOSURE OF ADDITIONAL INFORMATION

## DIVIDENDS

The Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the six months ended 30 June 2024, none of the Directors or the controlling shareholders of the Company or their respective associates (as defined in GEM Listing Rules) had any interest in the business that competes or may compete with the business of the Group or had any other conflicts of interest with the Group.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION OR DISPOSAL AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no significant investments, material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2024. The Group has no specific plan for material investments or capital assets as at 30 June 2024.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, 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 (the "SFO")), 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 any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in the ordinary shares (the "Shares") of the Company

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of shareholding (%)
Mr. Ruan Deqing	Interest of a controlled corporation	14,400,500 (Note 1)	8.33

Notes:

- (1) These Shares were registered in the name of and beneficially owned by Lizhong Limited ("Lizhong"), 48.73% of the entire issued share capital of which was owned by Joint Loyal Limited ("Joint Loyal"). The entire issued share capital of Joint Loyal was owned by Mr. Ruan Deqing ("Mr. Ruan"), an executive director. Mr. Ruan was deemed to be interested in all the Shares in which Joint Loyal was interested by virtue of the SFO. Mr. Ruan was the sole director of Joint Loyal.



# MANAGEMENT DISCUSSION AND ANALYSIS AND DISCLOSURE OF ADDITIONAL INFORMATION

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), 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 any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the 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 SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

### Long positions in shares and underlying shares of the Company

Name of shareholder	Nature of interest	Number of Shares held	Approximate percentage of shareholding (%)
Mr. Lin Pintong (Note 1)	Interest of a controlled corporation	14,400,500	8.33
Lizhong (Note 1)	Beneficial owner	14,400,500	8.33
Broad Win (Note 1)	Interest of a controlled corporation	14,400,500	8.33
Ms. Pan Xiaoying (Note 2)	Interest of spouse	14,400,500	8.33
Joint Loyal (Note 1)	Interest of a controlled corporation	14,400,500	8.33
Ms. Liu Sibin (Note 3)	Interest of spouse	14,400,500	8.33
New Express Investment Limited (Note 4)	Beneficial owner	9,103,000	5.27
China Investment and Finance Group Limited (Note 4)	Interest of a controlled corporation	9,103,000	5.27

# MANAGEMENT DISCUSSION AND ANALYSIS AND DISCLOSURE OF ADDITIONAL INFORMATION

Notes:

- (1) These Shares were registered in the name of and beneficially owned by Lizhong, 48.73% and 48.73% of the entire issued share capital of Lizhong was owned by Broad Win Limited (“Broad Win”) and Joint Loyal respectively. The entire issued share capital of Broad Win and Joint Loyal were owned by Mr. Lin Pintong (“Mr. Lin”) and Mr. Ruan respectively. Under the SFO, each of Mr. Lin, Mr. Ruan, Broad Win and Joint Loyal were deemed to be interested in all the Shares held by Lizhong. The directors of Lizhong were Mr. Lin, Mr. Ruan and Mr. Han Wenqian.
- (2) Ms. Pan Xiaoying (“Ms. Pan”) was the spouse of Mr. Lin. Therefore, Ms. Pan was deemed, or taken to be, interested in the Shares which Mr. Lin was deemed, or taken to be interested in for the purposes of the SFO.
- (3) Ms. Liu Sibin (“Ms. Liu”) was the spouse of Mr. Ruan. Therefore, Ms. Liu was deemed, or taken to be, interested in the Shares which Mr. Ruan was deemed, or taken to be interested in for the purposes of the SFO.
- (4) These Shares were registered in the name of and beneficially owned by New Express Investment Limited (“New Express Investment”). The entire issued share capital of New Express Investment was owned by China Investment and Finance Group Limited (“China Investment”). China Investment is deemed to be interested in all the Shares in which New Express Investment was interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the code of conduct and required standard of dealings concerning securities transactions by directors during the six months ended 30 June 2024.

## EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 30 June 2024.

## SHARE OPTION SCHEME

A share option scheme was adopted by the Company pursuant to a resolution passed by the shareholders of the Company on 30 June 2021 (the “Share Option Scheme”). As at 30 June 2024, there is no outstanding share options under the Share Option Scheme. Details of the share options are set out below:

Date of grant	Exercise price	Number of share options outstanding as at 1 January 2024	Lapsed during the period	Cancelled/ granted/ exercised during the period	Number of share options outstanding as at 30 June 2024	Grantees	Validity Period
11 April 2022	HK\$0.448	17,280,000	(17,280,000)	–	–	Employees	11 April 2022 to 10 April 2024

Saved as disclosed above, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme during the six months ended 30 June 2024.

Notes:

1. All share options granted were vested immediately.



# MANAGEMENT DISCUSSION AND ANALYSIS AND DISCLOSURE OF ADDITIONAL INFORMATION

## AUDIT COMMITTEE

The Company established the Audit Committee on 17 December 2010 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The primary duties of the Audit Committee are to review the financial statements, financial reports and accounts of the Company; to review the accounting policy, financial position and financial reporting procedures of the Company; to communicate with external auditors; to assess the performance of internal financial and audit personnel; to review the risk management and the internal control systems of the Company; and to perform the corporate governance functions under the CG Code. As at 30 June 2024, the Audit Committee has three members comprising Ms. Tay Sheve Li (Chairperson), Mr. Yau Kit Yu and Ms. Wipada Kunna, all being independent non-executive Directors.

The Audit Committee has reviewed the unaudited consolidated results of the Group and the report for the six months ended 30 June 2024. The Audit Committee was of the opinion that the preparation of such results and report complied with the applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

By order of the Board  
**China 33 Media Group Limited**  
**Ruan Deqing**  
*Chairman and Executive Director*

Hong Kong, 30 August 2024

*As at the date of this report, the executive Directors are Mr. Ruan Deqing (Chairman) and Mr. Ma Pun Fai; and the independent non-executive Directors are Ms. Tay Sheve Li, Ms. Wipada Kunna and Mr. Yau Kit Yu.*