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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8087)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2023

The board (“**Board**”) of directors (“**Directors**”) of China 33 Media Group Limited (“**Company**”), together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited results of the Group for the three months ended 31 March 2023. This announcement, containing the full text of the 2023 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of quarterly results.

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

Hong Kong, 15 May 2023

As at the date of this announcement, 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. Lam Man Chi and Mr. Yau Kit Yu.

This announcement, for which the Directors 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 of Hong Kong Limited 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.

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least seven days from the date of its posting and the Company’s website at www.china33media.com.



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FIRST QUARTERLY REPORT
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, 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.

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

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, 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.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2023

FIRST QUARTERLY RESULTS

The unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2023, together with the comparative unaudited figures for the corresponding period in 2022, are as follows:

	<i>Notes</i>	Three months ended 31 March	
		2023 (unaudited) RMB'000	2022 (unaudited) RMB'000
REVENUE	4	11,587	26,391
Cost of sales		(8,916)	(22,260)
Gross profit		2,671	4,131
Other income		2,914	589
Other gains and losses, net	5	(1,718)	(4,241)
Selling and distribution expenses		(469)	(1,614)
Administrative expenses		(4,445)	(4,498)
Finance cost	6	(35)	(302)
LOSS BEFORE TAXATION		(1,082)	(5,935)
Taxation	7	–	–
LOSS FOR THE PERIOD		(1,082)	(5,935)
OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(2,737)	(819)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD		(3,819)	(6,754)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2023

	<i>Notes</i>	Three months ended	
		2023	2022
		(unaudited)	(unaudited)
		RMB'000	RMB'000
Loss for the period attributable to:			
Owners of the Company		(1,073)	(5,932)
Non-controlling interests		(9)	(3)
		(1,082)	(5,935)
Total comprehensive expenses for the period attributable to:			
Owners of the Company		(3,810)	(6,751)
Non-controlling interests		(9)	(3)
		(3,819)	(6,754)
		RMB cents	RMB cents (restated)
Loss per share			
Basic and diluted	9	(0.62)	(3.43)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Attributable to owners of the Company										
	Issued capital	Share premium	Capital reserve	Statutory reserve	Share redemption reserve	Exchange reserve	Share option reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	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 2022 (audited)	44,567	626,463	26,239	13,174	19	10,732	589	(594,301)	127,482	(1,412)	126,070
Loss for the period	-	-	-	-	-	-	-	(5,932)	(5,932)	(3)	(5,935)
Exchange difference on translation of foreign operations	-	-	-	-	-	(819)	-	-	(819)	-	(819)
Total comprehensive expenses for the period	-	-	-	-	-	(819)	-	(5,932)	(6,751)	(3)	(6,754)
As at 31 March 2022 (unaudited)	44,567	626,463	26,239	13,174	19	9,913	589	(600,233)	120,731	(1,415)	119,316
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	-	-	-	-	-	-	-	(1,073)	(1,073)	(9)	(1,082)
Exchange difference on translation of foreign operations	-	-	-	-	-	(2,737)	-	-	(2,737)	-	(2,737)
Total comprehensive expenses for the period	-	-	-	-	-	(2,737)	-	(1,073)	(3,810)	(9)	(3,819)
As at 31 March 2023 (unaudited)	44,567	626,463	26,239	13,174	19	21,011	2,447	(652,254)	81,666	(1,460)	80,206

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

1. CORPORATE INFORMATION

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 immediate 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. 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, Kowloon, 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 three months ended 31 March 2023, the Group was principally engaged in the provision of outdoor and digital advertising services, film and entertainment investment 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 under 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 2022.

The condensed consolidated financial statements have been approved and authorised to issue by the board of Directors on 15 May 2023.

3. APPLICATION OF NEW AND REVISED IFRSs

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 2023. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

4. REVENUE

Revenue represents the advertising income, the distribution income and profit sharing of film and entertainment investments, as well as transaction fees and card related fees earned from the use of the prepaid cards.

	Three months ended 31 March	
	2023 (unaudited) RMB'000	2022 (unaudited) RMB'000
An analysis of the Group's revenue for the period is as follows:		
Outdoor and digital advertising income	1,120	16,299
Film and entertainment investment income	5,072	4,881
Prepaid card income	5,395	5,211
	11,587	26,391

5. OTHER GAINS AND LOSSES, NET

	Three months ended 31 March	
	2023 (unaudited) RMB'000	2022 (unaudited) RMB'000
Fair value change of financial assets at fair value through profit or loss	(1,734)	(4,241)
Others	16	–
	(1,718)	(4,241)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

6. FINANCE COSTS

	Three months ended 31 March	
	2023 (unaudited) RMB'000	2022 (unaudited) RMB'000
Interest expense on corporate bond	34	293
Interest expense on lease liabilities	1	9
	35	302

7. TAXATION

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong during the three months ended 31 March 2023 (three months ended 31 March 2022: 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%.

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands during the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

8. DIVIDENDS

The Directors do not recommend the payment of any dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2023

9. 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:

	Three months ended 31 March	
	2023 (unaudited) RMB'000	2022 (unaudited) RMB'000
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	(1,073)	(5,932)

	Number of shares Three months ended 31 March	
	2023 '000	2022 '000 (restated)
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.

Note: The calculation of basic and diluted loss per share amount is based on the Company's loss for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during prior year of 172,800,000 (three months ended 31 March 2022: 172,800,000 (restated) ordinary shares), as adjusted to reflect retrospectively impact of share consolidation completed on 5 August 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The principal business of the Group during the period included outdoor and digital advertising, film and entertainment investment and prepaid card business. The Group's total revenue for the three months ended 31 March 2023 amounted to approximately RMB11,587,000, representing a decrease of approximately RMB14,804,000 or 56.1% as compared to approximately RMB26,391,000 for the corresponding period last year, mainly contributed by the decrease of revenue from outdoor and digital advertising business due to the fierce competition in the industry.

Overall gross profit decreased by approximately RMB1,460,000 or 35.3% to approximately RMB2,671,000 for the three months ended 31 March 2023 from approximately RMB4,131,000 for the corresponding period of last year. The gross profit margin for the current period increased to approximately 23.1% from approximately 15.7% for the corresponding period of last year. The total comprehensive expenses for the period attributable to owners of the Company amounted to approximately RMB3,810,000, representing a decrease of approximately 43.6% from approximately RMB6,751,000 for the corresponding period of last year.

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 recognized 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 RMB15,179,000 or 93.1% from approximately RMB16,299,000 for the three months ended 31 March 2022 to approximately RMB1,120,000 for the three months ended 31 March 2023. It was mainly due to the fierce competition in the industry which led to decrease in number of customers.

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.

Revenue from film and entertainment investment increased by approximately RMB191,000 or 3.9% as compared to the corresponding period of last year. The frequency of income from film and entertainment investment was highly dependent on the production status and the market trend for the respective periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Prepaid Card

The Group obtained the Stored Value Facilities License ("SVF License") in November 2016. Revenue from prepaid card 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 is provided.

Revenue from prepaid card business slightly increased by approximately RMB184,000 or 3.5% from approximately RMB5,211,000 for the three months ended 31 March 2022 to approximately RMB5,395,000 for the three months ended 31 March 2023.

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 increased from approximately RMB589,000 for the three months ended 31 March 2022 to approximately RMB2,914,000 for the three months ended 31 March 2023, representing an increase of approximately RMB2,325,000 or 394.7%. The increase was mainly contributed by the increased time deposit interest income.

Other Gains and Losses, net

Other gains and losses decreased by approximately RMB2,523,000 or 59.5% from approximately RMB4,241,000 for the three months ended 31 March 2022 to approximately RMB1,718,000 for the three months ended 31 March 2023. The decrease was mainly due to decrease in the fair value loss on financial assets at fair value through profit or loss.

Selling and Distribution Expenses

Selling and distribution expenses mainly include advertising and marketing expenses, salaries, commissions to sales staff and travelling and related expenses. It accounted for approximately 6.1% and 4.0% of the Group's total revenue for the three months ended 31 March 2022 and 2023, respectively. The amount decreased by approximately RMB1,145,000 or 70.9% from approximately RMB1,614,000 for the corresponding period of last year to approximately RMB469,000 for the three months ended 31 March 2023. The decrease was mainly due to the cost control measures implemented during the period.

Administrative Expenses

Administrative expenses mainly consists of salaries, depreciation of fixed assets, rental expense and legal and professional fees. Administrative expenses decreased by approximately RMB53,000 or 1.2% from approximately RMB4,498,000 for the corresponding period of last year to approximately RMB4,445,000 for the three months ended 31 March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE INFORMATION

As at 31 March 2023, the Group employed a total of 28 employees (2022: 39 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 three months ended 31 March 2023, the total staff costs (including Directors' emoluments) amounted to approximately RMB2,568,000 (2022: RMB2,413,000).

CONTINGENT LIABILITIES

As at 31 March 2023, the Group did not have any significant contingent liabilities (31 December 2022: nil).

PROSPECTS

Looking ahead, the Group will continue to focus on the business development of prepaid card business. Although the COVID-19 pandemic subsides and Mainland China has opened its borders, the pace of economic recovery remains uncertain and the business environment and the financial performance of the Group may continue to be affected in the year of 2023. The Group is actively looking for business opportunities in order to achieve sustainable growth, 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 (the "CG Code") contained in part 2 of Appendix 15 to the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with the CG Code during the three months ended 31 March 2023.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the three months ended 31 March 2023, 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 any other conflicts of interest with the Group.

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

During the three months ended 31 March 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 31 March 2023, 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	Interest of a controlled corporation	14,400,500 (Note 1)	8.33

Notes:

- (1) These Shares were registered in the name of Lihong Limited ("Lihong"), 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, 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.

Save as disclosed above, as at 31 March 2023, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2023, the following persons (other than a Director or chief executive of the Company) 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 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

Notes:

- (1) These Shares are registered in the name of and beneficially owned by Lizhong, 48.73% and 48.73% of the entire issued share capital of Lizhong is owned by Broad Win Limited (“Broad Win”) and Joint Loyal respectively. The entire issued share capital of Broad Win and Joint Loyal is 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 is deemed to be interested in all the Shares held by Lizhong. The directors of Lizhong are Mr. Lin, Mr. Ruan and Mr. Han Wenqian.
- (2) Ms. Pan Xiaoying (“Ms. Pan”) is the spouse of Mr. Lin. Therefore, Ms. Pan is deemed, or taken to be, interested in the Shares which Mr. Lin is deemed, or taken to be interested in for the purposes of the SFO.
- (3) Ms. Liu Sibin (“Ms. Liu”) is the spouse of Mr. Ruan. Therefore, Ms. Liu is deemed, or taken to be, interested in the Shares which Mr. Ruan is 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 31 March 2023, the Directors are 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 securities transactions by the Directors 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 three months ended 31 March 2023.

EVENTS AFTER THE REPORTING PERIOD

An extraordinary general meeting of the Company was held on 5 August 2022 in which the resolutions to approve the proposed capital reduction to reduce the consolidated share par value from US\$0.04 to US\$0.001 by cancelling the paid-up capital of the Company to the extent of US\$0.039 on each of the issued consolidated shares (“Capital Reduction”) and the proposed sub-division of each of the authorised but unissued consolidated shares of par value of US\$0.04 each into forty (40) new shares of par value of US\$0.001 each (“Share Sub-division”) were passed by the shareholders of the Company. The Capital Reduction and the Share Sub-division became effective on 27 April 2023. Please refer to the announcement of the Company dated 26 April 2023 for details.

MANAGEMENT DISCUSSION AND ANALYSIS

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 31 March 2023, the Audit Committee has three members comprising Ms. Tay Sheve Li (Chairperson), Mr. Yau Kit Yu and Ms. Lam Man Chi, all being independent non-executive Directors.

The Audit Committee has reviewed the unaudited results of the Group for the three months ended 31 March 2023. The Audit Committee was of the opinion that the preparation of such results 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, 15 May 2023

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