
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in **China 33 Media Group Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "15. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, 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 Prospectus.



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)

RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Placing Agent to the Company



Capitalised terms used in this cover page have the same meanings as defined in this Prospectus.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Please refer to the section headed "Letter from the Board – Rights Issue – Conditions of the Rights Issue" in this Prospectus. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Dealings in the Rights Shares in the nil-paid form will take place from Monday, 23 December 2024 to Thursday, 2 January 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Monday, 23 December 2024 to Thursday, 2 January 2025 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 7 January 2025. The procedures for acceptance and payment or transfer is set out on pages 20 to 21 of this Prospectus.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

19 December 2024

CHARACTERISTICS OF GEM

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

Event	Date and time (Hong Kong time)
First day of dealings in nil-paid Rights Shares in the board lot size of 10,000 Rights Shares	Monday, 23 December 2024
Original counter for trading in the Shares (in the board lot size of 10,000 Shares in the form of new share certificates) reopens	Monday, 23 December 2024
Parallel trading in the Shares (in the form of both existing share certificates and new share certificates) commences	Monday, 23 December 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares	Monday, 23 December 2024
Latest time for splitting of the PALs	4:30 p.m. on Friday, 27 December 2024
Last day of dealings in nil-paid Rights Shares in the board lot size of 10,000 Rights Shares	Thursday, 2 January 2025
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Tuesday, 7 January 2025
Latest time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Tuesday, 7 January 2025
Announcement of the number of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Compensatory Arrangements	Tuesday, 14 January 2025

EXPECTED TIMETABLE

Event	Date and time (Hong Kong time)
Commencement of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent	Wednesday, 15 January 2025
Designated broker ceases to provide matching services for odd lots of the Shares	4:00 p.m. on Wednesday, 15 January 2025
Temporary counter for trading in the Shares in the board lot size of 2,500 Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 15 January 2025
Parallel trading in Shares (represented by both existing share certificates and new share certificates) ends	4:10 p.m. on Wednesday, 15 January 2025
Latest time for free exchange of existing share certificates for new share certificates	4:30 p.m. on Friday, 17 January 2025
Latest time of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares subject to Compensatory Arrangements	4:00 p.m. on Thursday, 23 January 2025
Latest time for termination of the Placing Agreement	4:00 p.m. on Friday, 24 January 2025
Announcement of the allotment results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per ES Unsold Rights Share under the Compensatory Arrangements)	Tuesday, 4 February 2025
Despatch of share certificates for fully-paid Rights Shares	Wednesday, 5 February 2025
Despatch of refund cheques, if any, if the Rights Issue is terminated	Wednesday, 5 February 2025

EXPECTED TIMETABLE

Event	Date and time (Hong Kong time)
Commencement of dealings in fully-paid Rights Shares in the board lot size of 10,000 Rights Shares	9:00 a.m. on Thursday, 6 February 2025
Payment of Net Gain to relevant No Action Shareholders (if any)	Wednesday, 12 February 2025

All times and dates in this Prospectus refer to Hong Kong local times and dates.

In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 7 January 2025. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 7 January 2025. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Tuesday, 7 January 2025, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

DEFINITIONS

In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:

“AFRC”	the Accounting and Financial Reporting Council
“Announcement”	the announcement of the Company dated 21 October 2024 in relation to, among other things, the Share Consolidation, the Rights Issue and the Placing
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Circular”	the circular of the Company dated 15 November 2024 in relation to, among other things, the Share Consolidation, the Rights Issue and the Placing
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong

DEFINITIONS

“Company”	China 33 Media Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8087)
“Compensatory Arrangements”	the compensatory arrangements made pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements” in this Prospectus
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on Thursday, 5 December 2024 at which the Share Consolidation, the Rights Issue and the transactions contemplated respectively thereunder have been approved
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form
“Excluded Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	any Shareholder(s) who was(were) not required to abstain from voting at the EGM under the GEM Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Trading Day”	Monday, 21 October 2024, last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement
“Latest Practicable Date”	13 December 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 7 January 2025 or such later time or date as may be determined by the Company, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 24 January 2025 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Net Gain”	the premium (if any) paid by the Placees over the Subscription Price for the Unsubscribed Rights Shares and ES Unsold Rights Shares placed by the Placing Agent

DEFINITIONS

“No Action Shareholder(s)”	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	institutional, corporate or individual investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“Placing Agreement”	the placing agreement dated 21 October 2024 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Long Stop Date”	31 March 2025 or such later date as the Company and the Placing Agent may agree in writing
“Placing Period”	the period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and ES Unsold Rights Shares, which is expected to be Wednesday, 15 January 2025, and ending at 4:00 p.m. on Thursday, 23 January 2025

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus issued by the Company containing details of the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Thursday, 19 December 2024, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rule 11.23(7) of the GEM Listing Rules
“Qualifying Shareholder(s)”	Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Wednesday, 18 December 2024, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	The issue of the Rights Shares by way of rights on the basis of three (3) Rights Shares for every two (2) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 64,800,000 Shares to be allotted and issued pursuant to the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary shares of US\$0.004 each in the share capital of the Company
“Share Consolidation”	consolidation of the issued and unissued Shares in the share capital of the Company on the basis of four (4) Shares of US\$0.001 each into one (1) consolidated Share of US\$0.004 each, which was effective on 9 December 2024
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.30 per Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Share(s)”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

For the purpose of this Prospectus, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.0 to HK\$1.1. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Ruan Deqing

Mr. Ma Pun Fai

Independent non-executive Directors:

Ms. Tay Sheve Li

Mr. Yau Kit Yu

Ms. Wipada Kunna

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head office in the PRC:

Unit 410-412, 4/F., One Indigo

20 Jiuxianqiao Road

Chaoyang District

Beijing, China

Principal place of business

in Hong Kong:

Unit 807, 8/F, Tower 1

Silvercord, 30 Canton Road

Tsimshatsui

Hong Kong

19 December 2024

*To the Qualifying Shareholders and,
for information only, the Excluded Shareholders (if any)*

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to, among other things, the Share Consolidation, the Rights Issue and the Placing.

The purpose of this Prospectus is to provide you with, among other things, further details on the Rights Issue, certain financial information and other general information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

The Board proposed to raise gross proceeds of up to approximately HK\$19.4 million (assuming full subscription under the Rights Issue) by way of issuing up to 64,800,000 Rights Shares at the Subscription Price of HK\$0.30 per Rights Share on the basis of three (3) Rights Shares for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any).

Rights Issue statistics

Basis of the Rights Issue	:	three (3) Rights Shares for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.30 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	43,200,000 Shares
Maximum number of Rights Shares to be issued	:	64,800,000 Rights Shares
Approximate aggregate nominal value of the Rights Shares	:	US\$259,200
Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	108,000,000 Shares
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.29 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	:	Approximately HK\$19.4 million
Maximum net proceeds to be raised from the Rights Issue after expenses	:	Approximately HK\$19.0 million

LETTER FROM THE BOARD

The 64,800,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 150% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 60% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed).

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants, convertible securities or other similar rights which are convertible or exchangeable into the Shares.

The Subscription Price

The Subscription Price is HK\$0.30 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a premium of approximately 7.14% to the closing price of HK\$0.280 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 7.41% to the theoretical closing price of approximately HK\$0.324 per Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.081 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) discount of approximately 8.54% to the theoretical average closing price of approximately HK\$0.328 per Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.082 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 9.64% to the theoretical average closing price of approximately HK\$0.332 per Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.083 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 3.23% to the theoretical ex-rights price of approximately HK\$0.310 per Share (after taking into account the effect of the Share Consolidation), based on the closing price of HK\$0.081 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 5.12% of the theoretical diluted price of approximately HK\$0.311 per Share to the benchmarked price of approximately HK\$0.328 per Share (after taking into account the effect of the Share Consolidation) (as defined under Rule 10.44A of the GEM Listing Rules), taking into account the higher of the closing price of HK\$0.081 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.082 per Share);
- (vii) a discount of approximately 55.62% to the unaudited consolidated net asset value per Share of approximately RMB0.615 (equivalent to approximately HK\$0.676) based on the unaudited consolidated net asset value of the Company of approximately RMB26.56 million as at 30 June 2024 and the total number of 43,200,000 Shares in issue immediately upon completion of the Share Consolidation; and
- (viii) a discount of approximately 65.75% to the audited consolidated net asset value per Share of approximately RMB0.796 (equivalent to approximately HK\$0.876) based on the audited consolidated net asset value of the Company as at 31 December 2023 of approximately RMB34.39 million and the total number of 43,200,000 Shares in issue immediately upon completion of the Share Consolidation.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.29.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the section headed “Reason for and benefits of the Rights Issue and the use of proceeds” in this Prospectus; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

LETTER FROM THE BOARD

The Directors consider that it is reasonable to set the Subscription Price at a discount to the prevailing market price and the adjusted consolidated net asset value per Share as illustrated above, taking into consideration:

- (i) based on the closing price of HK\$0.081 per Share as quoted on the Stock Exchange on the Last Trading Day, the Shares have been traded at a discount of approximately 52.1% to the unaudited consolidated net asset value per Share of approximately RMB0.154 (equivalent to approximately HK\$0.169) with reference to the unaudited consolidated net asset value of the Company of approximately RMB26.56 million as at 30 June 2024 and the total number of 172,800,000 Shares in issue as at the Last Trading Day;
- (ii) the daily closing price of the Shares has demonstrated an overall downward trend during the six months prior to the Last Trading Day, from HK\$0.152 per Share on 22 April 2024 to HK\$0.081 per Share on the Last Trading Day;
- (iii) during the six months prior to and including the Last Trading Day, the Company's average daily trading volume (calculated based on the total trading volume divided by the total numbers of days during the six months prior to and including the Last Trading Day) represented merely approximately 0.01% of the total issued share capital of the Company; and
- (iv) for the year ended 31 December 2022 and 2023, the Company recorded loss for the year of approximately RMB57.5 million and RMB55.7 million, respectively.

Under the prevailing market conditions and economic sentiment and with reference to the recent market performance of the Shares and the latest business performance and financial position of the Group, the Directors consider that it would be more practical and commercially reasonable to set a subscription price which is lower than the prevailing market price and the consolidated net asset value per Share as illustrated above in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate in the Rights Issue.

The Directors consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

LETTER FROM THE BOARD

Non-underwritten Basis

Subject to the fulfilment of conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed to independent Places on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, Shareholder(s) who apply to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or may result in the non-compliance by the Company of the Public Float Requirement under Rule 11.23(7) of the GEM Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not result in any non-compliance with the Public Float Requirement on the part of the Company.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the Share Consolidation having become effective;
- (ii) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;
- (iii) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;

LETTER FROM THE BOARD

- (v) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and
- (vi) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. As at the Latest Practicable Date, conditions (i) and (ii) have been fulfilled and conditions (iii) to (vi) remained unfulfilled. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions precedent by the Latest Time for Termination or such other date as the Company and the Placing Agent may agree.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue. For the avoidance of doubt, given the Placing will be proceeded on a best effort basis, there is no guarantee that all the Unsubscribed Rights Shares or ES Unsold Rights Shares could eventually be successfully placed by the Placing Agent.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of three (3) Rights Shares for every two (2) Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Placing Agreement and the Prospectus Documents.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for. There will be no excess application arrangements in relation to the Rights Issue.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send the Prospectus to them for their information only. To qualify for the Rights Issue, a Shareholder had to be registered as a member of the Company as at the close of business on the Record Date and not have been an Excluded Shareholder.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company may be diluted.

Rights of the Overseas Shareholder(s)

The Prospectus Documents will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue.

Based on the register of members of the Company as at the Record Date, there was one Overseas Shareholder with registered address located in the PRC, who was interested in 265,000 Shares, representing approximately 0.6% of the total issued share capital of the Company. Save for the aforesaid Overseas Shareholder with registered address located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Record Date.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company has made necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders in the PRC. Taking into account the advice provided by legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude the Overseas Shareholder with registered addresses located in the PRC from the Rights Issue. Therefore, such Overseas Shareholder is not an Excluded Shareholder and the Rights Issue will be extended to such Overseas Shareholder.

LETTER FROM THE BOARD

As the register of members of the Company had already been closed as at the Latest Practicable Date and would remain closed up to the Record Date, there would be no additional Overseas Shareholder and hence Excluded Shareholder on the Record Date.

It is the responsibility of each Overseas Shareholder who wishes to take part in the Rights Issue to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territories and jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or the compliance with other necessary formalities or legal requirements.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

Any unsold entitlement of the Excluded Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, on a best effort basis, be placed by the Placing Agent under the Compensatory Arrangements to independent Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue, at the price at least equal to the Subscription Price.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Wednesday, 5 February 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Wednesday, 5 February 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Fractional Entitlements to the Rights Shares

Rights Shares in provisional allotment will be rounded down to the nearest whole number. No fractional Rights Shares shall be issued under the Rights Issue. All fractions of the Rights Shares will be aggregated and placed by the Placing Agent under the Compensatory Arrangements to Independent Third Parties for the benefit of the Company.

LETTER FROM THE BOARD

Odd lots matching services

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, a designated broker, Astrum Capital Management Limited, has been appointed by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact Ms. Angie Yeung of Astrum Capital Management Limited at Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong (telephone number: (852) 3665 8160) during office hours (i.e. 9:00 a.m. to 12:00 noon and 1:00 p.m. to 4:00 p.m.) for the period from Monday, 23 December 2024 to Wednesday, 15 January 2025 (both days inclusive).

Holders of odd lots arising from the Rights Issue should note that successful matching of the sale and purchase of odd lots arising from the Rights Issue are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Application for listing of the Rights Shares

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid and fully-paid Rights Shares will be traded in board lot size of 10,000 Shares.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to payments of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

LETTER FROM THE BOARD

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Application for the Rights Shares

The PALs relating to the Rights Shares are enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on Tuesday, 7 January 2025. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**China 33 Media Group Limited – Open Offer Account**" and crossed "**ACCOUNT PAYEE ONLY**".

LETTER FROM THE BOARD

It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 7 January 2025, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Friday, 27 December 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" above are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 5 February 2025.

No receipt will be issued in respect of any application monies received.

LETTER FROM THE BOARD

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering these Shares to independent Placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

Accordingly, on 21 October 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares to independent Placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and ES Unsold Rights Shares during the Placing Period to independent Placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 23 January 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and ES Unsold Rights Shares. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Excluded Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. for Excluded Shareholders, the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Excluded Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Excluded Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of HK\$100 or less for its own benefit.

LETTER FROM THE BOARD

Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders and Excluded Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

Principal terms of the Placing Agreement are summarised as below.

On 21 October 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to, on a best effort basis, procure Placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies), to subscribe for the Unsubscribed Rights Shares and ES Unsold Rights Shares.

Details of the Placing Agreement are as follows:

Date : 21 October 2024 (after trading hours)

Issuer : the Company

Placing Agent : Astrum Capital Management Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.

Placing Price : The placing price of the Unsubscribed Rights Shares and ES Unsold Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and ES Unsold Rights Shares during the placement process.

Placing Period : The period from Wednesday, 15 January 2025 up to 4:00 p.m. on Thursday, 23 January 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.

LETTER FROM THE BOARD

- Placing Commission : The Company shall pay the Placing Agent a placing commission equivalent to (i) a fixed fee of HK\$100,000; or (ii) 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and ES Unsold Rights Shares which are successfully placed by the Placing Agent, whichever is higher.
- Placees : The Unsubscribed Rights Shares and ES Unsold Rights Shares are expected to be placed to placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
- Ranking of the placed Unsubscribed Rights Shares and ES Unsold Rights Shares : The placed Unsubscribed Rights Shares and ES Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
- Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):
- i) the Share Consolidation having become effective;
 - ii) the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;
 - iii) the approval of the Rights Issue and the transactions contemplated thereunder (including the Placing Agreement) by more than 50% of the Independent Shareholders at the EGM by way of poll;

LETTER FROM THE BOARD

- iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraph (i), (ii) and (iii) above) by notice in writing to the Company.

Termination : The Placing Period shall end at 4:00 p.m. on Thursday, 23 January 2025 or any other date by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may also be terminated by the Placing Agent at any time prior to 4:00 p.m. on Friday, 24 January 2025 or any other date by mutual written agreement between the Placing Agent and the Company in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. Further, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the reasonable opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

LETTER FROM THE BOARD

The Company shall use its best endeavours to procure the fulfillment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfillment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions. The Board considers the terms of the Placing for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed by the Placing Agent to independent Placees on a best effort basis for the benefits of the No Action Shareholders and Excluded Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Excluded Shareholders.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Company is principally engaged in investment holding. The subsidiaries of the Company are principally engaged in the provision of outdoor and digital advertising services and prepaid card business.

LETTER FROM THE BOARD

According to the Company's interim report for the six months ended 30 June 2024, the Group recorded net loss of approximately RMB5.4 million for the six months ended 30 June 2024 as compared to a net loss of approximately RMB2.2 million for the corresponding period in 2023. As at 30 June 2024, the Group had bond payable of approximately RMB13.9 million (equivalent to approximately HK\$14.9 million) in aggregate. For the six months ended 30 June 2024, the Group incurred interest expense of approximately RMB0.7 million on corporate bond. Subsequently, on 23 July 2024, the Company renewed a bond agreement with a bondholder, being an Independent Third Party, with a renewed principal of HK\$15.5 million (equivalent to approximately RMB14.0 million) which bears an interest rate of 12% per annum and is due for repayment on 23 July 2025.

In light of the loss-making performance of the Group and with a view to relieve the Group's financial burden and lowering its finance costs, the Company intends to raise funds through the Rights Issue to improve the financial condition of the Group and also reducing its gearing and interest burden.

Use of proceeds

Assuming full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the related expenses) is expected to be approximately HK\$19.0 million. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

- (a) approximately 91.2% of the net proceeds or approximately HK\$17.3 million for repayment of the Group's bond payable; and
- (b) approximately 8.8% of the net proceeds or approximately HK\$1.7 million for enhancing the general working capital of the Group.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

LETTER FROM THE BOARD

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, based on publicly available market information, the Board understands that where the Unsubscribed Rights Shares and ES Unsold Rights Shares are to be fully-underwritten, the underwriting commission charged by underwriters is generally much higher than the commission charged for placing on a best effort basis. To improve the cost effectiveness of the Rights Issue and having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings will be diluted.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, assuming no further change in the number of issued Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by existing Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by Qualifying Shareholders and all the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by the Placing Agent:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon completion of Rights Issue assuming full acceptance of Rights Shares by all Qualifying Shareholders		Immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by Placing Agent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Lizhong Limited ^(Note 1)	3,600,125	8.33	9,000,312	8.33	3,600,125	3.33
Public Shareholders						
– Independent Placees ^(Note 2)	–	–	–	–	64,800,000	60.00
– Other public Shareholders	<u>39,599,875</u>	<u>91.67</u>	<u>98,999,688</u>	<u>91.67</u>	<u>39,599,875</u>	<u>36.67</u>
	<u>43,200,000</u>	<u>100.00</u>	<u>108,000,000</u>	<u>100.00</u>	<u>108,000,000</u>	<u>100.00</u>

Notes:

- Lizhong Limited is held as to approximately 48.73% and 48.73% by Broad Win Limited and Joint Loyal Limited, respectively. The entire issued share capital of Broad Win Limited and Joint Loyal Limited was owned by Mr. Lin Pintong and Mr. Ruan Deqing, respectively. Under the SFO, each of Mr. Lin Pintong and Mr. Ruan Deqing, Broad Win Limited and Joint Loyal Limited was deemed to be interested in all the Shares held by Lizhong Limited by virtue of the SFO. The directors of Lizhong Limited are Mr. Lin Pintong, Mr. Ruan Deqing and Mr. Han Wenqian.
- As it is not expected that any of the Placees will become a substantial Shareholder immediately after completion of the Placing, the Unsubscribed Rights Shares and ES Unsold Rights Shares having been placed by the Placing Agent will form part of the public float of the Company.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50%, the Rights Issue is conditional upon the Independent Shareholders' approval at the EGM, and any controlling Shareholder(s) (as defined under the GEM Listing Rules) and their respective associates, or where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As at the date of the EGM, the Company had no controlling Shareholder and Lizhong Limited held 14,400,500 Shares (before taking into account the effect of the Share Consolidation), representing approximately 8.33% of the total issued share capital of the Company. Lizhong Limited is held as to approximately 48.73% by Joint Loyal Limited, which is wholly-owned by Mr. Ruan Deqing, being an executive Director and the chairman of the Board. Mr. Ruan Deqing is deemed to be interested in all the Shares held by Lizhong Limited by virtue of the SFO. Accordingly, each of Mr. Ruan Deqing, Lizhong Limited, Joint Loyal Limited and their associate(s) has abstained from voting in favour of the proposed resolutions to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the date of the EGM, save for Mr. Ruan Deqing, none of the Directors or chief executives of the Company had any interest in the Shares.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period prior to the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

As at Latest Practicable Date, save for the Rights Issue, the Placing, the Company did not have any plan and had not entered into any negotiation, agreement, arrangement or undertaking to conduct any other corporate action or arrangement that may affect the trading of the Company's shares in the next 12 months.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Tuesday, 10 December 2024. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 23 December 2024 to Thursday, 2 January 2025 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed “Conditions of the Rights Issue” in this Prospectus above.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholder or other person dealings in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

By order of the Board
China 33 Media Group Limited
Ma Pun Fai
Executive Director

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (<http://www.china33media.com>), respectively:

- (i) the audited consolidated financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 1 April 2022, from pages 59 to 137 (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0401/2022040100224.pdf>);
- (ii) the audited consolidated financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 2 April 2023, from pages 60 to 133 (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0402/2023040200113.pdf>); and
- (iii) the audited consolidated financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 30 April 2024, from pages 47 to 123 (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0430/2024043003268.pdf>).

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2024, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

(a) Bond payable

The Group had an outstanding bond payable of approximately HK\$16.0 million (equivalent to approximately RMB14.7 million). The bond bears an interest rate of 12% per annum and is due for repayment on 23 July 2025.

(b) Lease liabilities

The Group had lease liabilities of approximately RMB263,000 in respect of the lease of properties.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 31 October 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 October 2024 up to the Latest Practicable Date.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this Prospectus.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) outdoor and digital advertising, including online advertising through mobile applications and websites etc. and sale of advertising spaces on the billboards and LEDs installed at certain railway stations; (ii) film and entertainment investment; and (iii) prepaid card business.

As numerous players compete for market share of the advertising industry, the market become saturated with advertising services and solutions. Heightened competition has diluted customer attention and diminished the return on investment for businesses, resulting in a decline in the Group's revenue from this segment over the past years.

In recent years, the film and entertainment business of the Group has faced a significant downturn, due to various challenges and setbacks. Key factors contributing to this downturn include disrupted film/drama production schedules, delayed releases, tightened tax practices of the PRC and increased government censorship and regulation in the PRC, which have restricted thematic content in films/dramas. Consequently, the Group has ceased further investment on this segment.

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. With an increasing number of sales channels and clients, the income generated from transaction-related fees has risen. Additionally, the expanding card base has contributed to increased income from card related services fees, for instance card management fee. Looking forward, the Group intends to continue focusing on its prepaid card business.

F. PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group. The principal risks and uncertainties faced by the Group are set out below:

Operational risks

For reason as disclosed in the section headed “Connected transactions” in the prospectus of the Company dated 22 February 2011, a series of contracts (the “**Structure Agreements**”) were entered into by, among others, Aoshen Technology Service (Fuzhou) Co., Ltd. (“**Aoshen Technology**”), Hongkong Ao Shen Investment Co., Limited (“**Aoshen Hong Kong**”), Mr. Lin, Mr. Ruan and the Contracting Entities on 17 December 2010. The purpose of the Structure Agreements is to provide the Group with effective control over the financial and operational policies of the Contracting Entities and Beijing FanPei Culture Media Co. Ltd. (collectively the “**Operating Entities**”), to obtain the economic benefits from the Operating Entities and acquire the equity interests in the Contracting Entities as and when permitted under the applicable PRC laws and to allow the Company to consolidate the assets, liabilities, equity, income and expenses of the Operating Entities into the Group’s consolidated financial statements as if they were the Group’s subsidiaries, and the economic benefit of their business flows to the Group.

There is no assurance that there will be no future laws and regulations promulgated by the PRC government that would limit the implementation of the arrangements under the Structure Agreements. If the Structure Agreements are considered to be in breach of the applicable laws and regulations in China in the future, the Group could be subject to penalty imposed by the PRC government or that the arrangements under the Structure Agreements would need to discontinue or be subject to such other conditions or requirements that the Group may not be able to comply with.

Credit risks

The Group's credit risk is primarily attributable to trade receivables, deposits and other receivables, restricted cash and cash and cash equivalents. The Group has concentration of credit risks with exposure limited to certain customers. Trade receivables (after impairment) from the five largest debtors at 31 December 2023 represented 60% of the total trade receivables. Trade receivables that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience.

Currency risks

The Group collects most of its revenue in RMB and incurs most of the expenditures as well as capital expenditures in RMB, while the Group still has certain foreign currency denominated monetary assets, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Price risks

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments quoted on the Stock Exchange. In addition, the Group has delegated the chief financial officer of the Group to monitor the price risk and will consider hedging the risk exposure should the need arise.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY****Introduction**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circular” issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effects of the Rights Issue, on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024, as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 or any future date following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company derived from the unaudited consolidated statement of financial position of the Group as at 30 June 2024 as extracted from the published interim report of the Company for the six months ended 30 June 2024, after incorporating the adjustments described in the accompanying notes.

	Unaudited pro forma consolidated net tangible assets of the Group attributable to owners of the Company per Share after taking into account the completion of Share Consolidation but immediately before completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately before completion of the Share Consolidation and the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately before completion of the Share Consolidation and the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately before completion of the Share Consolidation and the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately before completion of the Share Consolidation and the Rights Issue
Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2024	Unaudited consolidated net tangible assets of the Company as at 30 June 2024	Unaudited consolidated net tangible assets of the Company as at 30 June 2024	Unaudited consolidated net tangible assets of the Company as at 30 June 2024	Unaudited consolidated net tangible assets of the Company as at 30 June 2024	Unaudited consolidated net tangible assets of the Company as at 30 June 2024
	Unaudited estimated net proceeds from the Rights Issue	Unaudited estimated net proceeds from the Rights Issue	Unaudited estimated net proceeds from the Rights Issue	Unaudited estimated net proceeds from the Rights Issue	Unaudited estimated net proceeds from the Rights Issue
	RMB'000	RMB'000	RMB'000	RMB	RMB
	(Note 1)	(Note 2)		(Note 3)	(Note 4)
					(Note 5)

Based on 64,800,000 Rights

Shares to be issued at

Subscription Price of

HK\$0.3 per Rights Share

	28,259	17,434	45,693	0.16	0.65	0.42
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Notes:

- The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2024 were approximately RMB28,259,000, which has been extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024, as shown on the published interim report of the Company for the six months ended 30 June 2024 by the Directors.
- The estimated net proceeds from the Rights Issue of approximately RMB17,434,000 (equivalent to approximately HK\$19,020,000) are based on 64,800,000 Rights Shares to be issued at HK\$0.30 per Rights Share after deducting estimated related expenses of approximately RMB385,000 (equivalent to approximately HK\$420,000) and assumed that no outstanding share options being exercised, and that there is no change in the number of issued shares from the date of the announcement on 30 June 2024 up to the record date.

The conversion of HK\$ into RMB is calculated at the rate of HK\$1 to RMB0.9166. No representation is made that the HK\$ amounts have been, could have been or could be converted to RMB, or versa, at that rate or at any other rates or at all.

3. The calculation of unaudited consolidated net tangible assets of the Group attributable to owners of the Company per share immediately before completion of Share Consolidation and Rights Issue are calculated based on 172,800,000 shares in issue as at 30 June 2024.
4. The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share after taken into account the completion of Share Consolidation (on the basis that every four (4) shares of the Company consolidated into one (1) Consolidated Share) but immediately before completion of the Rights Issue are calculated based on the unaudited consolidated net tangible assets of the Group of approximately RMB28,259,000 as at 30 June 2024, divided by 43,200,000 Consolidated Shares in issue.
5. The calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2024 per share immediately after completion of the Share Consolidation and Rights Issue is based on unaudited pro forma adjusted consolidated net tangible assets of the Group of approximately RMB45,693,000 attributable to the owners of the Company as at 30 June 2024 immediately after completion of the Rights Issue, being the aggregate of unaudited consolidated net tangible assets of the Group of approximately RMB28,259,000 attributable to the owners of the Company as at 30 June 2024 and the estimated net proceeds from the Rights Issue of approximately RMB17,434,000, divided by 108,000,000 Shares which represents the sum of 43,200,000 Consolidated Shares in issue and 64,800,000 Rights Shares (assuming no new Shares are allotted and issued pursuant to any exercise of the Share Options and no other change in the share capital of the Company on or before the Record Date) were issued immediately after completion of the Share Consolidation and Rights Issue, as if the Share Consolidation and Rights Issue had been completed on 30 June 2024.
6. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2024.

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from Jon Gepsom CPA Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants of the Company, in respect of the Group’s unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.

**Jon Gepsom CPA Limited**

1003-1005, 10/F
Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

19 December 2024

The Board of Directors of
China 33 Media Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China 33 Media Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2024 and related notes as set out on pages II-1 to II-3 of the Prospectus issued by the Company dated 19 December 2024 (the “**Prospectus**”). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of three rights shares for every two consolidated shares (the “**Rights Issue**”) held on the record date on the Group’s financial position as at 30 June 2024 as if the Rights Issue had taken place as at 30 June 2024. As part of this process, information about the Group’s net tangible assets as at 30 June 2024 has been extracted by the directors from the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024, on which an interim report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circular” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Jon Gepsom CPA Limited

Certified Public Accountants

Hong Kong

Lo Ka Ki

Practicing Certificate Number - P06633

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

(a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>US\$</i>
<u>10,000,000,000</u>	Shares of US\$0.004 each	<u>40,000,000</u>
<i>Issued and fully paid:</i>		<i>US\$</i>
<u>43,200,000</u>	Shares of US\$0.004 each	<u>172,800</u>

(b) Immediately upon completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholder)

<i>Authorised:</i>		<i>US\$</i>
<u>10,000,000,000</u>	Shares of US\$0.004 each	<u>40,000,000</u>
<i>Issued and fully paid:</i>		<i>US\$</i>
<u>43,200,000</u>	Shares of US\$0.004 each	<u>172,800</u>
<u>64,800,000</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>259,200</u>
<u>108,000,000</u>	Shares in issue immediately upon completion of the Rights Issue	<u>432,000</u>

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Save as disclosed above, as at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into Shares. The Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executive's interests in the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were 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 have taken or deemed to have 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 Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital
Mr. Ruan Deqing ("Mr. Ruan")	Interest in controlled corporation	3,600,125 (Note)	8.33%

Note: These Shares were registered in the name of 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, 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.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any 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 interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders and other persons’ interests in Shares and underlying Shares

As at the Latest Practicable Date, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital
Mr. Lin Pintong (“ Mr. Lin ”) (Note 1)	Interest in a controlled corporation	3,600,125	8.33%
Lizhong (Note 1)	Beneficial owner	3,600,125	8.33%
Broad Win Limited (“ Broad Win ”) (Note 1)	Interest in a controlled corporation	3,600,125	8.33%
Ms. Pan Xiaoying (“ Ms. Pan ”) (Note 2)	Interest of spouse	3,600,125	8.33%
Joint Loyal (Note 1)	Interest in a controlled corporation	3,600,125	8.33%
Ms. Liu Sibin (“ Ms. Liu ”) (Note 3)	Interest of spouse	3,600,125	8.33%

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital
New Express Investment Limited (“ New Express ”) (Note 4)	Beneficial owner	2,275,750	5.27%
China Investment and Finance Group Limited (“ China Investment ”) (Note 4)	Interest in a controlled corporation	2,275,750	5.27%

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 and Joint Loyal respectively. The entire issued share capital of Broad Win and Joint Loyal was owned by Mr. Lin and Mr. Ruan respectively. Under the SFO, each of Mr. Lin, Mr. Ruan, Broad Win and Joint Loyal was 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 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 was the spouse of Mr. Ruan. Therefore, Ms. Liu was 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. The entire issued share capital of New Express was owned by China Investment. China Investment was deemed to be interested in all the Shares in which New Express was interested by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS’ INTERESTS IN CONTRACT(S) AND ASSET(S)

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

5. DIRECTORS' SERVICE CONTRACT(S)

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACT(S)

Save for the Placing Agreement, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus (the "**Expert**"):

Name	Qualification
Jon Gepsom CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the Expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, the Expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming the Rights Issue is not fully-subscribed and any Unsubscribed Rights Shares and ES Unsold Rights Shares, are placed by the Placing Agent), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$0.4 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors

Executive Directors:

Mr. Ruan Deqing (*Chairman*)
Mr. Ma Pun Fai

Independent non-Executive Directors:

Ms. Tay Sheve Li
Mr. Yau Kit Yu
Ms. Wipada Kunna

Audit committee

Ms. Tay Sheve Li (*Chairperson*)
Mr. Yau Kit Yu
Ms. Wipada Kunna

Nomination committee

Ms. Wipada Kunna (*Chairperson*)
Mr. Ma Pun Fai
Ms. Tay Sheve Li

Remuneration committee

Ms. Tay Sheve Li (*Chairperson*)
Mr. Ruan Deqing
Ms. Wipada Kunna

Registered office	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office in the PRC	Unit 410-412, 4/F. One Indigo, 20 Jiuxianqiao Road Chaoyang District Beijing, China
Principal place of business in Hong Kong	Unit 807, 8/F., Tower 1 Silvercord, 30 Canton Road Tsimshatsui Hong Kong
Authorised representatives	Mr. Ruan Deqing Mr. Fu Yan Ming
Business address of all Directors and authorised representatives	Unit 807, 8/F., Tower 1 Silvercord, 30 Canton Road Tsimshatsui Hong Kong
Company secretary	Mr. Fu Yan Ming
Principal share registrar and transfer office	Suntera (Cayman) Limited Suite 3204, Unit 2A Block 3, Building D, P.O. Box 1586 Gardenia Court, Camana Bay Grand Cayman, KY1-1110 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal bankers	Bank of Communications Co., Ltd Bank of China (HK) Limited China Construction Bank (Asia) Corporation Limited

Auditor	Jon Gepsom CPA Limited <i>Certified Public Accountants</i> 1003-1005, 10/F., Siu On Centre 188 Lockhart Road, Wan Chai, Hong Kong
Legal adviser to the Company as to Hong Kong laws	David Fong & Co. Unit A, 12th Floor China Overseas Building 139 Hennessy Road Wanchai Hong Kong
Placing Agent	Astrum Capital Management Limited Room 2704 Tower 1, Admiralty Centre 18 Harcourt Road Admiralty, Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ruan Deqing (阮德清), aged 59, is the Chairman and an executive Director and is responsible for the operating and financial matters of the Group. He also acts as the compliance officer of the Group. Mr. Ruan was appointed as a Director on 5 May 2010. Mr. Ruan graduated from the Zhengzhou Institute of Railway Mechanics (鄭州鐵路機械學校) in 1986 and obtained an Adult Education Diploma in Advertising from the Xiamen University (廈門大學) in July 2000. Mr. Ruan has more than twenty years of experience in the advertising industry. Prior to co-founding the Group with Mr. Lin Pintong, Mr. Ruan worked as a technician of the locomotive depot in Fuzhou of Nanchang Railway Bureau (南昌鐵路局福州機務處) during the period from 1986 to 1997. During the period from 1997 to 1999, Mr. Ruan worked at Fujian Huashui Advertising and Decorating Company Limited (福建華稅廣告裝潢有限公司). Mr. Ruan was the general manager of Fujian Annual Ring Advertisement Co., Ltd. (福州年輪廣告有限公司) during the period from 1999 to 2002. From August 2002 to April 2010, Mr. Ruan was the general manager of Fujian Ao Shen Media Advertising Co., Ltd. (福建省奧神傳媒廣告有限責任公司). Mr. Ruan has an interest in the shares of the Company under the Securities and Futures Ordinance as disclosed in the section headed “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” in this appendix.

Mr. Ma Pun Fai (馬彬輝), aged 55, is an executive Director appointed on 25 August 2015. Mr. Ma has over 20 years' experience in administration and management. He is currently a managing director in a local electronics company. Mr. Ma had been working in the entertainment and advertising industry for around ten years, and was responsible for administrative and managerial work in several domestic and foreign enterprises.

Independent Non-executive Directors

Ms. Tay Sheve Li (鄭雪莉), aged 51, is an independent non-executive Director appointed on 30 September 2013. Ms. Tay is the independent non-executive Director who has the qualifications and experience to meet the requirements under Rule 5.05(2) of the GEM Listing Rules. Ms. Tay graduated from the University of Strathclyde, United Kingdom, in July 1994 with a bachelor's degree in arts majoring in accounting and finance and received her master's degree in applied finance from University of Western Sydney in September 2004.

Ms. Tay is a certified public accountant of the Hong Kong Institute of Certified Public Accountants, a fellow member of Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants in England and Wales. Ms. Tay has over 15 years of experience in accounting and auditing experience. From November 1997 to September 2007, she worked at Ernst & Young as a senior manager in audit assurance. From October 2007 to September 2010, Ms. Tay worked at Ernst & Young as a senior manager in the finance department. From October 2010 to June 2011, Ms. Tay was the president of finance and capital management department in Centron Telecom International Holding Ltd., a company previously listed on the Main Board of the Stock Exchange (stock code: 1155).

Ms. Tay was an independent non-executive director of SSLJ.com Limited, a company previously listed on Nasdaq (stock code: YGTY, formerly known as SSLJ), and delisted in July 2019, her employment was from October 2018 to January 2019 and from March to July 2019. Ms. Tay was an independent non-executive director of Hudson Capital Inc., a company listed on Nasdaq (stock code: HUSN), from 22 February 2017 to 17 April 2020.

Mr. Yau Kit Yu (邱潔如), aged 70, is an independent non-executive Director appointed on 24 November 2015. Mr. Yau has over 30 years of experience in the trading and marketing industries. He started his career in sales activities in 1978, and has since 2000 served in various companies selling agricultural products as marketing directors, mainly responsible for the overall management of sales and marketing.

Ms. Wipada Kunna, aged 30, is an independent non-executive Director appointed on 15 February 2024. Ms. Kunna has over 5 years of management and accounting experience in the finance and retail industry. Ms. Kunna obtained a bachelor's degree of public administration from The Chiang Mai Rajabhat University.

Senior Management

Mr. Wong Chee Weng (黃志榮), aged 44, is appointed as the Chief Executive Officer of 33 Financial Services Limited and is responsible for developing and managing payment product business. Mr. Wong holds an Executive Master of Business Administration Degree from the Quantic School of Business & Technology. Mr. Wong has over 10 years of experience in the finance industry.

Mr. Fu Yan Ming (符恩明), aged 59, is appointed as the company secretary of the Company with effect from 8 December 2023. He is a fellow member of The Association of Chartered Certified Accountants. He obtained a Bachelors' Degree of Business Administration from The Chinese University of Hong Kong. Mr. Fu possess over 30 years of experience in accounting, audit, internal control, financial management, strategic business planning, corporate finance, merger and acquisition and corporate governance. He has worked for various sizeable organizations including accounting firm, logistic company, TMT (Technology, Media and Telecommunications) companies, manufacturing companies and consultancy firm. During the past 15 years, he held various senior positions including financial controller and company secretary in main and GEM board listed companies of Hong Kong.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Ms. Tay Sheve Li (the chairperson of the Audit Committee), Mr. Yau Kit Yu and Ms. Wipada Kunna. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. Particulars of the Directors and senior management” above in this appendix.

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 Corporate Governance Code in Appendix C1 to the GEM Listing Rules.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “9. Expert and consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance.

16. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (<http://www.china33media.com>) during the period of 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2021, 2022 and 2023;
- (c) the Placing Agreement;
- (d) the letter from the Board, the text of which is set out on pages 10 to 31 of this Prospectus;
- (e) the accountant’s report on the unaudited pro forma financial information of the Group issued by Jon Gepsom CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (f) the written consent referred to in paragraph headed “9. Expert and consent” of this appendix; and
- (g) the Prospectus Documents.

17. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The Group collects most of its revenue in RMB and incurs most of the expenditures as well as capital expenditures in RMB, while the Group still has certain foreign currency denominated monetary assets, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.
- (c) In the event of any inconsistency, the English texts of this Prospectus shall prevail over their respective Chinese texts.