



財訊傳媒集團有限公司  
SEEC MEDIA GROUP LIMITED

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
(stock code : 205)



**2023**

INTERIM REPORT

The board of directors (the “Board”) of SEEC Media Group Limited (the “Company”) is pleased to present the interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022 as follows:

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

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Revenue</b>	3	21,828	31,912
Cost of sales		(20,350)	(12,746)
Gross profit		1,478	19,166
Other income		585	142
Fair value changes on held-for-trading investments		(5,282)	(19,445)
Other gains and losses, net	4	10,898	(6,479)
Selling and distribution costs		(2,449)	(1,317)
Administrative expenses		(18,185)	(11,469)
Finance costs		(721)	(637)
Share of profit/(loss) of a joint venture		3,388	(5,888)
Share of loss of an associate		(7,782)	(10,476)
Reversal of impairment on interest in an associate		9,129	6,679
Loss before taxation	5	(8,941)	(29,724)
Taxation	6	(17)	–
Loss for the period		(8,958)	(29,724)

		<b>Six months ended 30 June</b>	
Notes		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Other comprehensive (expense)/income for the period</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translation of foreign operations	(1,482)	4,587
	Share of exchange differences of a joint venture	333	(123)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
	Share of other comprehensive income of an associate	(732)	–
		(1,881)	4,464
Total comprehensive expense for the period		(10,839)	(25,260)
Loss for the period attributable to:			
	Owners of the Company	(4,800)	(32,258)
	Non-controlling interests	(4,158)	2,534
		(8,958)	(29,724)
Total comprehensive (expense)/income for the period attributable to:			
	Owners of the Company	(7,114)	(27,877)
	Non-controlling interests	(3,725)	2,617
		(10,839)	(25,260)
Loss per share (HK\$)			
	Basic	8	(0.01)
	Diluted	8	(0.01)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		1,778	2,020
Interest in a joint venture		13,092	10,436
Investment in convertible bond		3,805	3,775
Interest in an associate		16,800	15,120
Deposits		1,287	1,284
Right-of-use assets		–	156
		<b>36,762</b>	<b>32,791</b>
<b>Current assets</b>			
Accounts receivable	9	57,951	62,376
Loan receivables		145,873	146,259
Amounts due from related companies		561	1,657
Other receivables, deposits and prepayments		63,668	55,987
Held-for-trading investments	10	35,613	35,300
Bank balances (trust and segregated accounts)		10,144	9,830
Bank balances (general accounts) and cash and cash equivalents		52,818	82,994
		<b>366,628</b>	<b>394,403</b>
<b>Current liabilities</b>			
Accounts payable	11	18,587	19,072
Other payables and accruals		35,960	43,003
Amount due to a joint venture		30,754	22,911
Amounts due to related companies		72,120	81,971
Borrowings		10,188	13,519
Tax payable		16,389	14,432
Lease liabilities		3,959	4,015
		<b>187,957</b>	<b>198,923</b>
<b>Net current assets</b>		<b>178,671</b>	<b>195,480</b>
<b>Total assets less current liabilities</b>		<b>215,433</b>	<b>228,271</b>

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Non-current liabilities			
Borrowing		20,000	20,000
Lease liabilities		675	2,674
		20,675	22,674
Net assets		194,758	205,597
Capital and reserves			
Share capital		7,361	7,361
Reserves		203,023	210,137
Equity attributable to owners of the Company		210,384	217,498
Non-controlling interests		(15,626)	(11,901)
Total equity		194,758	205,597

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share Capital	Share premium	Capital Reserve	Contributed surplus	Statutory reserve	Exchange translation reserve	Other reserve	Fair value through other comprehensive income	Share option	Accumulated loss	Sub-total	Attributable to NCI	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December 2022 (audited)	7,361	81,221	13,092	429,374	8,407	20,742	17,801	(33,000)	7,761	(335,261)	217,498	(11,901)	205,597
Loss for the period	-	-	-	-	-	-	-	-	-	(4,800)	(4,800)	(4,158)	(8,958)
Exchange differences arising on translation	-	-	-	-	-	(1,915)	-	-	-	-	(1,915)	433	(1,482)
Share of exchange differences of a joint venture	-	-	-	-	-	(732)	-	-	-	-	(732)	-	(732)
Share of other comprehensive income of an associate	-	-	-	-	-	-	333	-	-	-	333	-	333
Total comprehensive expenses for the period	-	-	-	-	-	(2,647)	333	-	-	(4,800)	(7,114)	(3,725)	(10,839)
At 30 June 2023 (unaudited)	7,361	81,221	13,092	429,374	8,407	18,095	18,134	(33,000)	7,761	(340,061)	210,384	(15,626)	194,758

For the six months ended 30 June 2022

	Share Capital	Share premium	Capital Reserve	Contributed surplus	Statutory reserve	Exchange translation reserve	Other reserve	Fair value through other comprehensive income FVTOCI	Share option reserve	Accumulated loss	Sub-total	Attributable to NCI	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December 2021 (audited)	6,161	34,421	13,092	429,374	8,407	30,484	18,200	(33,000)	7,761	(252,788)	262,112	(5,402)	256,710
Loss for the period	-	-	-	-	-	-	-	-	-	(32,258)	(32,258)	2,534	(29,724)
Exchange differences arising on translation	-	-	-	-	-	4,504	-	-	-	-	4,504	83	4,587
Share of exchange differences of a joint venture	-	-	-	-	-	-	(123)	-	-	-	(123)	-	(123)
Total comprehensive expenses for the period	-	-	-	-	-	4,504	(123)	-	-	(32,258)	(27,877)	2,617	(25,260)
At 30 June 2022 (unaudited)	6,161	34,421	13,092	429,374	8,407	34,988	18,077	(33,000)	7,761	(285,046)	234,235	(2,785)	231,450

Note: According to the relevant laws and regulations in the People's Republic of China (the "PRC") and the Articles of Association of the Company's subsidiaries in the PRC, those subsidiaries are required to set aside 10% of their profit after taxation to the statutory reserve (except where the reserve has reached 50% of the subsidiaries' registered capital). The profit after taxation is determined in accordance with the relevant accounting principles and financial regulations applicable to companies established in the PRC. This reserve cannot be used for purposes other than those for which it is created and is not distributable as dividends without the prior approval by the owners under certain conditions.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(14,898)	(14,182)
Proceed from issue of bond	–	20,000
Interest paid	(115)	(346)
Repayment of lease liabilities	(2,055)	(2,197)
Repayment of borrowings	(3,538)	–
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	(5,708)	17,457
<b>NET (DECREASE IN)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(20,606)	3,275
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	82,994	25,101
Effect of foreign exchange rate changes	(9,570)	(1,603)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	52,818	26,773
Represented by :		
Bank balances, cash and cash equivalents		
– general accounts and cash	52,818	26,773



# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at revalued amounts or fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statement for the six months ended 30 June 2023 are the same as those presented in the Group’s annual financial statement for the year ended 31 December 2022.

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the amendments to HKFRSs in the current period had no material impact on the Group’s financial position and performance for the current and prior periods and the disclosures set out in these condensed consolidated financial statements.

The HKICPA has issued a new HKFRS and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these have had a material effect on the Group’s results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. REVENUE AND SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance are organised on the basis of the revenue streams.

The Group has four operating and reporting segments during the period which are as follows:

- (a) provision of advertising services;
- (b) provision of securities broking services including brokerage, financing and underwriting and placement;
- (c) provision of e-commerce platform services and sales of related goods; and
- (d) money lending.

The following is an analysis of the Group's revenue and results by reportable segment for the period:

*Six months ended 30 June 2023*

	Provision of advertising services HK\$'000	Provision of securities broking services HK\$'000	Provision of e-commerce platform services and sales of related goods HK\$'000	Money lending HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>					
External sales	9,089	6,974	137	5,628	21,828
<b>RESULT</b>					
Segment loss	(4,396)	(7,931)	(1,385)	(4,134)	(17,846)
Other income					585
Other gains and losses, net					10,898
Unallocated administration expenses					(1,310)
Fair value changes on held-for-trading investments					(5,282)
Finance costs					(721)
Share of profit of a joint venture					3,388
Share of loss of an associate					(7,782)
Reversal of impairment on interest in an associate					9,129
Loss before taxation					(8,941)

Six months ended 30 June 2022

	Provision of advertising services HK\$'000	Provision of securities broking services HK\$'000	Provision of e-commerce platform services and sales of related goods HK\$'000	Money lending HK\$'000	Consolidated HK\$'000
REVENUE					
External sales	12,708	8,127	3,304	7,773	31,912
RESULT					
Segment (loss)/profit	(2,659)	1,551	(1,026)	4,076	1,942
Other income					142
Unallocated administration expenses					(2,041)
Fair value changes on held-for-trading investments					(19,445)
Finance costs					(637)
Share of loss of a joint venture					(5,888)
Share of loss of an associate					(10,476)
Reversal of impairment on interest in an associate					6,679
Loss before taxation					(29,724)

Segment result represents the (loss) profit from each segment without allocation of other income and gains, unallocated administration expenses, fair value changes on held-for-trading investments, finance costs, share of loss of a joint venture and share of loss of an associate. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and performance assessment.

4. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Impairment loss on financial assets, net	(4,451)	(6,479)
Net exchange gain	10,383	–
Gain on deregistration of subsidiaries	4,966	–
	10,898	(6,479)

## 5. LOSS BEFORE TAXATION

The Group's loss before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	225	228
Bank interest income	(381)	(28)

## 6. TAXATION

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the law the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries has been 25% for both periods.

There was no deferred tax credit during the six months ended 30 June 2023 (30 June 2022: nil).

## 7. DIVIDENDS

No dividends were paid, declared or proposed during the reporting period. The Board does not recommend any payment of interim dividend for the six months ended 30 June 2023 (30 June 2022: nil).

## 8. LOSS PER SHARE

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

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(4,800)	(32,258)

	2023 '000	2022 '000
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	736,143	616,142

The computation of diluted loss per share for both periods do not assume the exercise of outstanding share options of the Company since their assumed exercise would result in a decrease in loss per share.

#### 9. ACCOUNTS RECEIVABLE

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Accounts receivable arising from the business of provision of advertising services	1,843	2,167
Less: allowance for expected credit loss ("ECL")	(154)	(206)
	1,689	1,961
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	181,426	181,364
Less: allowance for ECL	(126,840)	(123,065)
	54,586	58,299
Accounts receivable arising from the business of E-commerce platform services and sales of related goods	2,084	2,181
Less: allowance for ECL	(408)	(65)
	1,676	2,116
<b>Total</b>	<b>57,951</b>	<b>62,376</b>

Credit period granted by the Group to customers for both provision of advertising services are not more than three months from the date of recognition of the sale.

The ageing analysis of the Group's accounts receivable arising from the provision of advertising services net of allowance for ECL, presented based on date of magazines issued, which approximate the date of revenue recognition is as follow:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Less than three months	1,490	1,188
Three months to six months	35	444
Over six months to one year	116	263
Over than one year	48	66
	<b>1,689</b>	<b>1,961</b>

The credit period for the business of dealing in securities with the settlement terms of cash clients are usually one to two days after the trade date.

The Group seeks to maintain tight control over its outstanding accounts receivable of securities broking business in order to minimize credit risk. Outstanding balances are regularly monitored by management. The management ensures that the listed equity securities belonged to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

The receivables of cash client are repayable on demand subsequent to settlement date and carry interest at Hong Kong Prime rate plus 3% per annum.

Credit period granted by the Group to customers for both provision of e-commerce platform services and sales of related goods are normally not more than 90 days from the date of recognition of the sale.

The ageing analysis of the Group's accounts receivable arising from the provision of e-commerce platform services and sales of related goods, presented based on date of service provided and the goods sold, which approximate the date of revenue recognition is as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Less than three months	–	1,513
Three months to six months	–	175
Over six months to one year	1,555	428
Over one year	121	–
	<b>1,676</b>	<b>2,116</b>

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit ratings attributed to customers are reviewed regularly. Management considers the customers neither past due nor impaired are of good credit quality based on repayment history of respective customers.

#### 10. HELD-FOR-TRADING INVESTMENTS

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Held-for-trading investments include:		
Listed securities:		
– Equity securities listed in Hong Kong	35,613	35,300

Held-for-trading investments as at 30 June 2023 and 31 December 2022 represent equity securities listed in Hong Kong. The fair values of the investments are determined based on the quoted market bid price available on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The fair value of held-for-trading investments was classified as Level 1 of the fair value hierarchy.

#### 11. ACCOUNTS PAYABLE

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Accounts payable arising from the provision of advertising services	7,630	8,393
Accounts payable arising from the securities broking business		
– Cash clients (Note)	10,144	9,627
– Hong Kong Securities Clearing Company Limited	–	202
Accounts payable arising from the business of E-commerce platform services and sales of related goods	813	850
	18,587	19,072

Note: The balance of accounts payable arising from the securities broking business are repayable on demand.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

The ageing analysis of the Group's accounts payable arising from the provision of advertising services presented based on the invoice date at the end of the reporting period is as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Less than three months	467	1,038
Three months to six months	993	1,113
Over six months to one year	877	1,000
Over one year	5,293	5,242
	<b>7,630</b>	<b>8,393</b>

The average credit period of accounts payable is 90 days (31 December 2022: 90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

The ageing analysis of the Group's accounts payable arising from the provision of e-commerce platform service and sales of related goods presented based on the invoice date at the end of the reporting period is as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Less than three months	–	549
Three months to six months	–	296
Over six months to one year	807	5
Over one year	6	–
	<b>813</b>	<b>850</b>



## 12. SHARE OPTIONS

The Company operates a share option scheme (the “Share Option Scheme”) adopted on 11 May 2012 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the operations of the Group and to enable the Group to recruit high calibre employees and attract resources that are valuable to the Group.

The following table disclose details of the Company’s share options held by employees and consultants of the Group and movement in such holdings during the period:

Grantees	Date of grants	Exercise price per share HK\$	Exercise period	Notes	Number of share options			
					Outstanding at 1 January 2023	Granted during the year	Forfeited during the year	Outstanding at 30 June 2023
<b>Executive Directors</b>								
Li Leong	20 May 2020	0.176	20 May 2020 to 19 May 2025	(2)	3,180,000	–	–	3,180,000
Li Xi	20 May 2020	0.176	20 May 2020 to 19 May 2025	(2)	3,180,000	–	–	3,180,000
Zhou Hongtao	20 May 2020	0.176	20 May 2020 to 19 May 2025	(2)	3,180,000	–	–	3,180,000
Li Zhen	20 May 2020	0.176	20 May 2020 to 19 May 2025	(2)	3,180,000	–	–	3,180,000
<b>Independent Non-executive Directors</b>								
Law Chi Hung	16 April 2021	0.1282	16 April 2021 to 15 April 2026	(1)	3,180,000	–	–	3,180,000
Leung Tat Yin	16 April 2021	0.1282	16 April 2021 to 15 April 2026	(1)	3,180,000	–	–	3,180,000
Wong Ching Cheung	16 April 2021	0.1282	16 April 2021 to 15 April 2026	(1)	3,180,000	–	–	3,180,000
Employees in aggregate	20 May 2020	0.176	20 May 2020 to 19 May 2025	(2)	19,080,000	–	–	19,080,000
	16 April 2021	0.1282	16 April 2021 to 15 April 2026	(1)	22,260,000	–	–	22,260,000
					63,600,000	–	–	63,600,000

Notes:

- (1) The share options granted on 16 April 2021 were fully vested immediately on 16 April 2021. No option was exercised during the six months ended 30 June 2023.
- (2) The share options granted on 20 May 2020 were fully vested immediately on 20 May 2020. No option was exercised during the six months ended 30 June 2023.
- (3) The share options granted on 17 April 2019 were fully vested immediately on 17 April 2019. No option was exercised during the six months ended 30 June 2023.
- (4) No option was exercised during the six months ended 30 June 2023.

### 13. RELATED PARTY TRANSACTIONS

Apart from certain balances with related parties as disclosed in the condensed consolidated statement of financial position, during each of the six months ended 30 June 2023 and 2022 the Group had following related party transactions:

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2022</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Compensation to key management personnel		
Fees and salaries and other benefits	202	240
Contributions to retirement benefits schemes	4	4
	<b>206</b>	<b>244</b>

## INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## BUSINESS REVIEW

### Advertising

Over the years, the Group had provided advertising and marketing related services for its customers in China such as organizing promotional events and forums, providing and assisting in marketing research and promotional projects. Revenue derived from the business of advertising and marketing related services was one of the major sources of income to the Group. However, due to the negative impact on global economy caused by the trade war between the US and China and the rapid development of the internet economy in China over the past few years, the Group's print media advertising business faced difficult and challenging business environment in the recent year. The operational scale of the print media advertising business of the Group in China was substantially reduced due to the adverse impact of COVID-19 pandemic and the expiry of all its exclusive advertising contracts with various magazines owners or operators. As a result, the Group's revenue derived from the advertising and sales of books and magazines and marketing related services were adversely affected.

To diversify its advertising business revenue, the Group had proactively developed digital media marketing services and multi-channel network (MCN) business since 2020.

The revenue derived from the provision of advertising and marketing related services for the period was approximately HK\$9.1 million, representing approximately 41.7% of the total revenue of the Group.

### Securities Broking

The Group provides brokerage services for clients in respect of securities listed on the Stock Exchange of Hong Kong Limited. For the six months ended 30 June 2023, the commission and brokerage income and the interest income derived from the securities broking business amounted to approximately HK\$7.0 million in total, representing approximately 32.1% of the total revenue of the Group. In accordance with the Group's strategic development needs, the relevant business segments have been adjusted so as to allocate the resources on a more effective and profitable way. The Board of the Company has decided to ceased the operations of brokerage business of the "securities broking business segment" (referred to as "Securities Brokerage Business") as the Securities Brokerage Business continue operating at a loss.

## Money Lending

In order to strengthen the flexibility of the Group so that it is able to react to the changing market situation promptly, the Group also provide diversified financial services to its clients through developing money lending services. It is believed that the money lending business could leverage other financial business of the Group and broaden the Group's income stream. The Group carries on the money lending business through an indirect non-wholly owned subsidiary of the Company, which is a licensed money lender under the Money Lenders Ordinance (Chapter 163, Laws of Hong Kong). For the six months ended 30 June 2023, the interest income from loan receivables arising from the money lending business amounted to approximately HK\$5.6 million, representing approximately 25.7% of the total revenue of the Group.

## E-commerce

Since 2016, the Group started engaging in the provision of services and sales of goods in relation to e-commerce platforms. For the six months ended 30 June 2023, the revenue contributed by the provision of e-commerce platform services and sales of related goods was approximately HK\$0.1 million, representing approximately 0.5% of the total revenue of the Group.

## OUTLOOK AND PROSPECTS

The global economy in year of 2023 remains uncertain and challenging. The rising inflation and interest hike, the China-US trade war and conflict between Russia and Ukraine will be the greatest challenges to the local and global economic recovery. However, PRC's adjustment to the pandemic prevention policy at the end of 2022 and a series of economic policy stimulus which may improve market sentiment and bring improvements in the external environment.

Looking forward, it is expected that the financial activities in Hong Kong will remain stable in long-term. The Group will also actively develop its advertising business, especially the digital media marketing and the MCN business which the Board considers that the market is growing rapidly in recent years. Yet, the Group will closely monitor the performance, development and potential business risks of the financial business and identify the most suitable diversification of the Group's portfolio of businesses.

The Group will maintain its cautiously optimistic outlook and explore other suitable investment opportunities which are able to bring satisfactory and sustainable returns to the Group and maximize the shareholders' value.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Review

For the six months ended 30 June 2023, the aggregated revenue of the Group deriving from the provision of advertising services was approximately HK\$9.1 million, representing decrease of approximately 28.3% as compared with that of approximately HK\$12.7 million for the six months ended 30 June 2022.

For the six months ended 30 June 2023, the revenue of the Group deriving from the securities broking business, the e-commerce business and the money lending business were approximately HK\$7.0 million (six months ended 30 June 2022: approximately HK\$8.1 million), approximately HK\$0.1 million (six months ended 30 June 2022: approximately HK\$3.3 million) and approximately HK\$5.6 million (six months ended 30 June 2022: approximately HK\$7.8 million) respectively. The securities broking business was commenced during the first half of 2016, while both the e-commerce business and the money lending business were commenced during the second half of 2016.

The overall gross profit margin of the Group for the six months ended 30 June 2023 was approximately 6.8%, which was lower than that for the six months ended 30 June 2022 of approximately 60.1%. This was mainly due to the decrease in proportion of revenue contributed by the business segments with high gross profit margin.

The Group held certain held-for-trading investments comprising of equity securities listed in Hong Kong. For the six months ended 30 June 2023, there were fair value loss on held-for-trading investments of approximately HK\$5.3 million (six months ended 30 June 2022: loss of approximately HK\$19.4 million). The fair value loss was caused by the decrease in market prices of the equity securities listed in Hong Kong held by the Group.

The selling and distribution costs for the six months ended 30 June 2023 was approximately HK\$2.4 million, increased by approximately 84.6% from approximately HK\$1.3 million for the six months ended 30 June 2022. The administrative expenses increased by approximately 58.3% from approximately HK\$11.5 million for the six months ended 30 June 2022 to approximately HK\$18.2 million for the six months ended 30 June 2023.

For the six months ended 30 June 2023, a share of profit from Mondadori-SEEC (Beijing) Advertising Co. Ltd., a joint venture of the Group, of approximately HK\$3.4 million (six months ended 30 June 2022: share of loss of approximately HK\$5.9 million) was recognised.

For the six months ended 30 June 2023, a share of loss from Asia-Pac Financial Investment Company Limited (“Asia-Pac Financial”), an associate of the Group Share of loss of approximately HK\$7.8 million (six months ended 30 June 2022: share of loss of approximately HK\$10.5 million) was recognised. Asia-Pac Financial is a company listed on the GEM of The Stock Exchange of Hong Kong Limited (stock code: 8193) in which the principal businesses of its subsidiaries were asset advisory services and asset appraisal, corporate services and consultancy, media advertising and financial services.

The loss for the six months ended 30 June 2023 attributable to owners of the Company amounted to approximately HK\$4.8 million (six months ended 30 June 2022: approximately HK\$32.3 million), representing a decrease of approximately 85.1%. The decrease in loss was mainly attributable to the decrease in fair value loss on held-for-trading investments, share of loss of a joint venture and share of loss of an associate and increase in reversal of impairment on interest in an associate and other gains where partially off-set by the increase in administrative expenses and selling and distribution costs.

To preserve financial resources for future operation of the Group, the Board did not recommend the payment of a dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## USE OF PROCEEDS

### Open Offer

On 9 September 2015, the Company proposed to raise gross proceeds of up to approximately HK\$531.13 million, before expenses, by way of an open offer of 5,311,287,930 ordinary shares of HK\$0.10 each to the qualifying shareholders at a subscription price of HK\$0.10 per offer share, on the basis of five offer shares for every one existing shares held on the record date (the “Open Offer”). On 29 December 2015, 5,311,287,930 offer shares were allotted and issued pursuant to the Open Offer. The net proceeds for the Open Offer were approximately HK\$518.27 million.

For the details of the Open Offer, please refer to the announcements of the Company dated 19 August 2015, 9 September 2015, 23 November 2015 and 28 December 2015, the circular of the Company dated 4 November 2015 and the prospectus of the Company dated 4 December 2015.

On 22 June 2016, the Company announced that the use of the unutilized net proceeds of approximately HK\$72 million had been changed.

The information on the use of proceeds from the Open Offer is tabled as follows:

	Intended use of proceeds HK\$'000	Actual use of net proceeds as at 1 January 2023 HK\$'000	Actual use of net proceeds during the six months ended 30 June 2023 HK\$'000	Actual use of net proceeds as at 30 June 2023 HK\$'000	Unutilised balance of the net proceeds HK\$'000	Expected timeline for fully utilising the remaining proceeds HK\$'000
Set-up and operation of the Type 1 Company	275,000	275,000	-	275,000	-	-
Set-up and operation of companies licensed under the SFO to conduct Type 4, Type 6 and Type 9 regulated activities under the SFO	10,000	-	-	-	10,000	30 June 2024
Acquisition of companies engaged in the development and operation of e-commerce platform	124,000	124,000	-	124,000	-	-
Operation and development of money lending business	110,000	110,000	-	110,000	-	-
	519,000	509,000	-	509,000	10,000	-

The Board expected that the unutilised balance will be used as intended.

### Subscription of New Shares

On 15 August 2022, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 120,000,000 new Shares at the Subscription Price of HK\$0.4 per Subscriptions Share (the "Subscriptions"). The Subscription was completed on 1 September 2022, whereby 120,000,000 subscription shares were allotted and issued to the subscribers. The net proceeds (after deducting the other expenses) from the Subscriptions amounted to approximately HK\$47.8 million. The Company intended to use such net proceeds to expand advertising business, especially the digital media marketing services and multi-channel network services of the Group. As at the date of this report, HK\$10 million of net proceeds was utilised. The expected timeline for utilization of the unused net proceeds will be on or before 31 December 2023.

For the details of the Subscriptions, please refer to the announcements of the Company dated 15 August 2022 and 1 September 2022.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There was no material acquisitions and disposals of subsidiaries during the six months ended 30 June 2023.

## SIGNIFICANT INVESTMENTS

As at 30 June 2023, the Group had held-for-trading investments, representing equity securities listed in Hong Kong, of approximately HK\$35.6 million (31 December 2022: approximately HK\$35.3 million). The Board considers that investments with market value accounting for more than 5% of the Group's total assets as 30 June 2023 as significant investments. As at 30 June 2023, no held-for-trading investment accounted for more than 5% of the Group's total assets.

For the six months ended 30 June 2023, the Group recognised fair value loss on held-for-trading investments of approximately HK\$5.3 million (six months ended 30 June 2022: fair value gains of approximately HK\$19.4 million).

Looking forward, the Board believes that the future performance of the listed investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operating activities were mainly financed by internal resources. As at 30 June 2023, the Group's total equity was approximately HK\$194.8 million (31 December 2022: approximately HK\$205.6 million). The decrease was mainly due to the loss for the period of approximately HK\$9.0 million during the current period.

The Group had non-current liabilities of approximately HK\$20.7 million as at 30 June 2023 (31 December 2022: approximately HK\$22.7 million). The non-current liabilities as at 30 June 2023 mainly consisted of lease liabilities and borrowing. As at 30 June 2023, the Group's gearing ratio was approximately 51.7% representing a percentage of total liabilities over total assets (31 December 2022: approximately 51.9%).



As at 30 June 2023, the Group has approximately HK\$Nil (31 December 2022: HK\$3.4 million) margin payables, approximately HK\$21.5 million (31 December 2022: HK\$20.9 million) bonds payables, and approximately HK\$8.6 million (31 December 2022: HK\$9.2 million) other loan.

Save as disclosed above, the Group did not have any other borrowing as at 30 June 2023.

As at 30 June 2023, the Group had bank and cash balances (other than those in trust and segregated accounts) amounted to approximately HK\$52.8 million (31 December 2022: approximately HK\$83.0 million).

## CHARGES ON ASSETS

As at 30 June 2023, the Group had pledged held-for-trading investments of HK\$Nil (31 December 2022: approximately HK\$6.7 million) to secure the margin payables of HK\$Nil (31 December 2022: approximately HK\$3.4 million), which was included in the borrowings of the Group.

## EVENTS AFTER THE REPORTING PERIOD

On 21 July 2023, the Company granted share options to certain eligible participants (the “Grantees”) for the total of 73,000,000 ordinary shares of HK\$0.01 each. For the details of the grant of share option, please refer to the announcements of the Company dated 21 July 2023 and 28 July 2023.

## FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group’s business transactions, assets and liabilities are denominated in Hong Kong Dollars, United States Dollars or Renminbi. It is the Group’s treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. During the period, apart from the borrowings mentioned above, the Group did not have any fixed interest rate borrowings and had not engaged in any financial instruments for hedging or speculative activities.

## EMPLOYEES

As at 30 June 2023, the Group had 98 (31 December 2022: 46) employees in Hong Kong and China. Salaries, bonus and benefits were decided in accordance with the market condition and performance of the respective employees.

## DIRECTORS' INTERESTS IN SHARES

As at 30 June 2023, the interests of the Directors in the shares of the Company, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, were as follows:

Long position in the shares and underlying shares of the Company

Name of Director	Nature of interest	Number of Shares held	Number of underlying Shares held in options granted under the share option scheme of the Company	Percentage of number of issued shares of the Company at 30 June 2023 (Note)
Zhang Zhifang	Beneficial owner	37,500	–	0.01%
Li Leong	Beneficial owner	–	3,180,000	0.43%
Li Xi	Beneficial owner	–	3,180,000	0.43%
Li Zhen	Beneficial owner	–	3,180,000	0.43%
Zhou Hongtao	Beneficial owner	–	3,180,000	0.43%
Law Chi Hung	Beneficial Owner	–	3,180,000	0.43%
Leung Tat Yin	Beneficial Owner	–	3,180,000	0.43%
Wong Ching Cheung	Beneficial Owner	–	3,180,000	0.43%

Note: The percentage shareholding is calculated on the basis of the Company's total number of issued shares of 736,142,730 as at 30 June 2023.

All interests stated above represent long positions in the shares of the Company.

Save as disclosed above, as at 30 June 2023, none of the directors had any long or short positions in any shares, underlying shares or debentures of the Company.

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

As at 30 June 2023, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

## CORPORATE GOVERNANCE

The Company has complied throughout the period with the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Listing Rules except the following major deviations:

Code Provision C.5.3 and C.5.8

Code Provisions C.5.3 and C.5.8 stipulate that 14-day notice should be given for each regular board meeting and that in respect of regular meetings, and so far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least three days before the intended date of a board or board committee meeting (or such other period as agreed).

The Company agrees that sufficient time should be given to the directors in order to make a proper decision. In these respects, the Company adopts a more flexible approach (and yet sufficient time has been given) in convening board meetings to ensure efficient and prompt management decisions could be made.

## REMUNERATION COMMITTEE

The Remuneration Committee comprises three independent non-executive directors, namely Mr. Law Chi Hung being the chairman of the committee, Mr. Leung Tat Yin and Mr. Wong Ching Cheung being the members of the committee.

## NOMINATION COMMITTEE

The Nomination Committee comprises three independent non-executive directors, namely Mr. Wong Ching Cheung being the chairman of the committee, Mr. Law Chi Hung and Mr. Leung Tat Yin being the members of the committee.

## AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors. The Audit Committee is chaired by Mr. Law Chi Hung and comprising two other members, namely Mr. Leung Tat Yin and Mr. Wong Ching Cheung. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements for the six months ended 30 June 2023.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the “Model Code”). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company for the six months ended 30 June 2023.

## MEMBERS OF THE BOARD OF DIRECTORS

As at the date hereof, the members of the Board are as follows:

*Executive Directors:*

Mr. Li Leong  
Mr. Li Wei (appointed on 18 January 2023)  
Mr. Li Xi  
Mr. Li Zhen  
Mr. Zhang Zhifang  
Mr. Zhou Hongtao

*Independent Non-Executive Directors:*

Mr. Law Chi Hung  
Mr. Leung Tat Yin  
Mr. Wong Ching Cheung

By order of the Board

**Li Leong**  
*Director*

Hong Kong, 31 August 2023