
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer 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 this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8087)

**PROPOSED CAPITAL REORGANISATION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page and the inside cover page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the EGM to be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 31 August 2022 at 11:00 a.m. is set out on pages 17 to 21 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 15 August 2022), as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (i.e. 11:00 a.m. on Monday, 29 August 2022 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

This circular with a form of proxy will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its posting and the Company’s website at www.china33media.com.

5 August 2022

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

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DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than public holiday, a Saturday or Sunday) on which banks in Hong Kong are generally open for business
“Capital Reduction”	the proposed reduction of the par value of each of the then issued Consolidated Shares from US\$0.04 to US\$0.001 by cancelling the paid-up capital to the extent of US\$0.039 on each of the then issued Consolidated Shares and the cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction and the Share Sub-division
“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
“Change in Board Lot Size”	the proposed change in board lot size for trading in the Shares on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares upon the Share Consolidation becoming effective
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961), of the Cayman Islands as consolidated and revised
“Company”	China 33 Media Group Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value of US\$0.04 each in the share capital of the Company immediately after the Share Consolidation but before the Capital Reduction and the Share Sub-division becoming effective

DEFINITIONS

“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganisation
“Existing Share(s)”	the ordinary share(s) of par value of US\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM of the Stock Exchange
“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, from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	2 August 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“New Share(s)”	the ordinary share(s) of par value of US\$0.001 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the New Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every four (4) issued and unissued Existing Shares of par value of US\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value of US\$0.04 each

DEFINITIONS

“Share Option Schemes”	the share option scheme of the Company adopted on 30 June 2021 and the share option scheme adopted by the Company on 17 December 2010 and expired on 16 December 2020
“Shareholder(s)”	the holder(s) of the Existing Share(s), the Consolidated Share(s) or the New Share(s), as the case may be
“Share Sub-division”	the proposed sub-division of each of the authorised but unissued Consolidated Shares of par value of US\$0.04 each into forty (40) New Shares of par value of US\$0.001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation is set out below:

Event	Time and date
Latest time and date for lodging transfer document in order to qualify for attending and voting at the EGM	4:30 p.m. on Thursday, 25 August 2022
Book closure period to determine entitlements to attend the EGM (both days inclusive)	Friday, 26 August 2022 to Wednesday, 31 August 2022
Latest time and date for lodging forms of proxy for the EGM	11:00 a.m. on Monday, 29 August 2022
Expected time and date of the EGM	11:00 a.m. on Wednesday, 31 August 2022
Publication of announcement of poll results of the EGM	Wednesday, 31 August 2022

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation:

Expected effective date of the Share Consolidation	Friday, 2 September 2022
First day for free exchange of existing share certificates for share certificates of the Consolidated Shares	Friday, 2 September 2022
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Friday, 2 September 2022
Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 2 September 2022
Temporary counter for trading in the Consolidated Shares in temporary board lots of 5,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 2 September 2022

EXPECTED TIMETABLE

Event	Time and date
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 19 September 2022
Parallel trading in the Existing Shares and Consolidated Shares (in the form of new share certificates in board lots of 10,000 Consolidated Shares and existing share certificates in board lots of 5,000 Consolidated Shares) commences	9:00 a.m. on Monday, 19 September 2022
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Monday, 19 September 2022
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Monday, 10 October 2022
Temporary counter for trading in the Consolidated Shares in temporary board lots of 5,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 10 October 2022
Parallel trading in the Existing Shares and Consolidated Shares (in the form of new share certificates in board lots of 10,000 Consolidated Shares and existing share certificates in board lots of 5,000 Consolidated Shares) ends	4:10 p.m. on Monday, 10 October 2022
Last day for free exchange of existing share certificates for the share certificates of the Consolidated Shares	4:30 p.m. on Wednesday, 12 October 2022

EXPECTED TIMETABLE

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reduction and Share Sub-division:

Event	Time and date
Expected effective date of the Capital Reduction and the Share Sub-division	Friday, 16 December 2022 (Cayman Islands time)
Commencement of dealings in the New Shares	9:00 a.m. on Monday, 19 December 2022

All times and dates specified in this circular refer to Hong Kong times and dates, unless otherwise stated. This timetable is indicative only and any subsequent changes to the expected timetable will be announced by the Company as and when appropriate.

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 (*Chairman*)
Mr. Ma Pun Fai

Independent non-executive Directors:

Ms. Tay Sheve Li
Ms. Lam Man Chi
Mr. Yau Kit Yu

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 807, 8/F, Tower 1
Silvercord
30 Canton Road
Tsimshatsui, Kowloon, Hong Kong

5 August 2022

To the Shareholders, and for information only, the holders of options of the Company

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 25 July 2022 in relation to, among other things, the Capital Reorganisation and Change in Board Lot Size. The purpose of this circular is to provide you among other things, details of (i) the Capital Reorganisation, (ii) Change in Board Lot Size and (iii) the notice of the EGM to be convened.

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation, the Capital Reduction and the Share Sub-division, details of which are as follows:

(1) Share Consolidation

Every four (4) issued and unissued Existing Shares of par value of US\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of US\$0.04. The Share Consolidation is not conditional on the Capital Reduction and the Share Sub-division.

(2) Capital Reduction

The Capital Reduction will be implemented after the Share Consolidation has become effective, pursuant to which the par value of each of the then issued Consolidated Shares will be reduced from US\$0.04 to US\$0.001 by cancelling the paid-up capital of the Company to the extent of US\$0.039 on each of the then issued Consolidated Shares. In addition, any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be cancelled.

(3) Share Sub-division

Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of US\$0.04 each will be sub-divided into forty (40) New Shares of par value of US\$0.001 each.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is US\$40,000,000 divided into 4,000,000,000 Existing Shares of par value of US\$0.01 each, of which 691,200,000 Existing Shares have been issued and fully paid or credited as fully paid. Assuming there will be no change in the issued share capital of the Company from the date of this circular until the completion of Share Consolidation, the authorised share capital of the Company will be US\$40,000,000 divided into 1,000,000,000 Consolidated Shares of par value of US\$0.04 each, of which 172,800,000 Consolidated Shares will be in issue and the aggregate par value of the issued share capital of the Company will be US\$6,912,000 upon the Share Consolidation becoming effective. Assuming there will be no change in the issued share capital of the Company from the date of this circular until completion of the Capital Reorganisation, the authorised share capital of the Company will be US\$40,000,000 divided into 40,000,000,000 New Shares of par value of US\$0.001 each, of which 172,800,000 New Shares will be in issue and the aggregate par value of the issued share capital of the Company will be US\$172,800 upon the Capital Reorganisation becoming effective.

LETTER FROM THE BOARD

Based on the 691,200,000 Existing Shares in issue as at the date of this circular, a credit of US\$6,220,800 will arise as a result of the Capital Reduction. It is proposed that the total credit arising from the Capital Reduction will be applied towards setting off the accumulated losses of the Company upon the Capital Reduction becoming effective. Any excess of such credits will be transferred to the distributable reserve account of the Company which may be utilised by the Board in any manner as the Board may deem fit as may be permitted under the applicable laws and the memorandum and articles of association of the Company.

Shareholders and potential investors of the Company should note that the credits arising in the books from the Capital Reorganisation will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

Assuming no further Existing Shares will be issued or repurchased from the Latest Practicable Date up to the effective date of the Capital Reorganisation, the effect of the Capital Reorganisation and the share capital structure of the Company is summarised below:

	As at the date of this circular	Upon the Share Consolidation becoming effective	Upon the Capital Reorganisation becoming effective
Par value	US\$0.01 per Existing Share	US\$0.04 per Consolidated Share	US\$0.001 per New Share
Authorised share capital	US\$40,000,000	US\$40,000,000	US\$40,000,000
Number of authorised shares	4,000,000,000 Existing Shares	1,000,000,000 Consolidated Shares	40,000,000,000 New Shares
Number of issued shares	691,200,000 Existing Shares	172,800,000 Consolidated Shares	172,800,000 New Shares
Issued share capital	US\$6,912,000	US\$6,912,000	US\$172,800

All New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred, the implementation of the Capital Reorganisation will have no material effect on the consolidated net asset value of the Group, nor will they alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

LETTER FROM THE BOARD

Conditions of the Capital Reorganisation

The Share Consolidation is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (2) the GEM Listing Committee granting the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (3) the compliance with the relevant procedures and requirements under the applicable laws of Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

The Share Consolidation will become effective on the second Business Day immediately following the fulfilment of the above conditions. The Share Consolidation is not conditional on the Capital Reduction and Share Sub-division.

The Capital Reduction and Share Sub-division are conditional upon:

- (1) the Share Consolidation becoming effective;
- (2) the passing of a special resolution by the Shareholders to approve the Capital Reduction and Share Sub-division at the EGM;
- (3) the GEM Listing Committee granting the listing of, and the permission to deal in, the New Shares arising from the Capital Reduction and Share Sub-division (if required);
- (4) the Court granting an order confirming the Capital Reduction;
- (5) compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (6) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and
- (7) the compliance with the relevant procedures and requirements under the applicable laws of Cayman Islands and the GEM Listing Rules to effect the Capital Reduction and Share Sub-division.

LETTER FROM THE BOARD

The Capital Reduction and Share Sub-division will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reorganisation at the EGM, the legal advisors to the Company (as to the Cayman Islands Law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company as soon as practicable after the Court hearing date(s) are confirmed.

Listing and dealings

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares and the New Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares and the New Shares on the Stock Exchange, the Consolidated Shares and the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares and the New Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares and the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the share capital or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal in being or is proposed to be sought.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading in Shares on the Stock Exchange from 20,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.106 per Existing Share (equivalent to the theoretical closing price of HK\$0.424 per Consolidated Share) as at the Latest Practicable Date, the value of each existing board lot of the Existing Shares is HK\$2,120 and the theoretical market value of each new board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$4,240.

LETTER FROM THE BOARD

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint Suncorp Securities Limited, as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Shareholders who wish to take advantage of this facility should contact Suncorp Securities Limited at Unit 2305, 23/F, The Center, 99 Queen's Road Central, Central, Hong Kong (telephone number: (852) 3899 1803) from 9:00 a.m. on Monday, 19 September 2022 to 4:00 p.m. on Monday, 10 October 2022 (both days inclusive).

Shareholders should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Friday, 2 September 2022 until Wednesday, 12 October 2022 (both days inclusive), submit share certificates for the Existing Shares (in red colour) to the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong at the expense of the Company, for new share certificates of the Consolidated Shares (in green colour) (on the basis of four (4) Existing Shares for one (1) Consolidated Share). Thereafter, certificates of Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. After 4:30 p.m. on Wednesday, 12 October 2022, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

LETTER FROM THE BOARD

As the Court hearing dates have yet to be fixed, the effective date of the Capital Reduction and the Share Sub-division is not ascertainable at present. Should the Capital Reduction and the Share Sub-division becoming effective, Shareholders may submit share certificates for the Consolidated Shares (in green colour) to the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange for new share certificates for the New Shares (in yellow colour) at the expense of the Company within the relevant free exchange period from the effective date of the Capital Reduction and the Share Sub-division. Details of such free exchange of share certificates will be announced as soon as practicable.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there were outstanding share options granted under the Share Option Schemes to subscribe for 126,720,000 Existing Shares. As a result of the Share Consolidation and pursuant to the terms and conditions of the Share Option Schemes and the GEM Listing Rules, the exercise price and the number of Consolidated Shares to be allotted and issued upon full exercise of the outstanding share options will be adjusted in the following manner, with effect from Friday, 2 September 2022, being the effective date of the Share Consolidation:

Date of grant	Before adjustments		After adjustments	
	Exercise price per outstanding share option granted (HK\$)	Number of Existing Shares to be allotted and issued upon full exercise of the outstanding share options granted	Exercise price per outstanding share option granted (HK\$)	Number of Consolidated Shares to be allotted and issued upon full exercise of the outstanding share options granted
11 December 2020	0.078	57,600,000	0.312	14,400,000
11 April 2022	0.112	69,120,000	0.448	17,280,000

McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, has reviewed the above adjustments and have certified in writing, that the above adjustment of the share options are made in accordance with the Share Option Scheme and the note to Rule 23.03(13) of the GEM Listing Rules.

Save as disclosed above, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into any Shares, as at the Latest Practicable Date.

LETTER FROM THE BOARD

REASONS FOR THE CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 17.76 of GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has stated that (i) market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

Based on the closing price of HK\$0.106 per Existing Share as at the Latest Practicable Date, the Capital Reorganisation and Change in Board Lot Size would enable the Company to comply with the trading requirements under the GEM Listing Rules.

The Share Consolidation will reduce the total number of Existing Shares currently in issue and is expected to bring about a corresponding upward adjustment to the trading price per Share on the Stock Exchange, and hence the transaction costs as a proportion of the market value of each board lot will be lower.

Further, under the Companies Act, the Company is restricted in its ability to issue Shares at a price lower than their par value. The Capital Reduction will reduce the par value of the Consolidated Shares, which will provide the Company with greater flexibility to accommodate the issue of new Shares in the future when necessary.

The Capital Reorganisation and the Change in Board Lot Size would help maintain the transaction amount for each board lot at a reasonable level and attract more investors and extend the base of the Shareholders, provide flexibility for equity fund raising of the Company in the future and eliminate a substantial amount of the Company’s accumulated losses, hence, allowing greater flexibility for the Company to pay dividends in the future. Accordingly, the Directors are of the view that the implementation of the Capital Reorganisation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention or plan to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation, and the Company does not have intention or any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong, on Wednesday, 31 August 2022 at 11:00 a.m. is set out on pages 17 to 21 of this circular. At the EGM, an ordinary resolution in respect of proposed Share Consolidation and a special resolution in respect of the proposed Capital Reduction and Share Sub-division will be proposed to the Shareholders.

To the best knowledge of the Directors, no Shareholders have a material interest in the proposed Share Consolidation and proposed Capital Reduction and Share Sub-division and accordingly, no Shareholders will have to abstain from voting at the EGM.

Whether or not you are able to attend the EGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM (i.e. 11:00 a.m. on Monday, 29 August 2022 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any votes of the shareholders at a general meeting must be taken by poll. Accordingly, all resolutions set out in the EGM notice to be considered and, if thought fit, passed at the EGM shall be voted by way of poll by the Shareholders. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

The Directors consider that the Capital Reorganisation and Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolutions at the EGM.

LETTER FROM THE BOARD

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of China 33 Media Group Limited (the “**Company**”) will be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Wednesday, 31 August 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the granting of approval by the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and permission to deal in, the issued shares of the Company consolidated in the manner as set out in paragraph (a) (i) of this resolution below (the “**Share Consolidation**”):
 - (a) with effect from the second business day immediately following the date on which this resolution is passed or the above condition is fulfilled (whichever is later):
 - (i) every four (4) issued and unissued ordinary shares (each, an “**Existing Share**”) with par value of US\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share (each a “**Consolidated Share**”) with par value of US\$0.04 each, such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions as contained in the memorandum and articles of association of the Company;
 - (ii) immediately following the Share Consolidation, the authorised share capital of the Company be changed from US\$40,000,000 divided into 4,000,000,000 Existing Shares to US\$40,000,000 divided into 1,000,000,000 Consolidated Shares; and

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- (iii) any one or more of the directors of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Share Consolidation and of administrative nature, on behalf of the Company, including under seal where applicable, as he/they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

SPECIAL RESOLUTION

2. “**THAT** subject to and conditional upon (i) the Share Consolidation becoming effective; (ii) approval from the Grand Court of the Cayman Islands (“**Court**”) of the Capital Reduction (as defined below); (iii) registration by the Registrar of Companies of Cayman Islands of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act of the Cayman Islands in respect of the Capital Reduction (as defined below) and compliance with any conditions the Court may impose; and (iv) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares (as defined below) (if required), with effect from the date on which these conditions are fulfilled (the “**Effective Date**”):
- (a) (i) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation which is not sold for the benefit of the Company (if any) shall be cancelled; and (ii) the par value of each issued Consolidated Share of par value US\$0.04 each in the share capital of the Company be reduced to US\$0.001 each (each a “**New Share**”) (the “**Capital Reduction**”) by cancelling the paid-up capital to the extent of US\$0.039 on each of the then issued Consolidated Shares;
- (b) the credit arising from the Capital Reduction be transferred to a distributable reserve account of the Company which may be utilized by the directors of the Company in accordance with the memorandum and articles of association of the Company and all applicable laws, including, without limitation, eliminating or setting off any accumulated losses of the Company from time to time;
- (c) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value US\$0.04 each be sub-divided into forty (40) New Shares with par value US\$0.001 each (the “**Share Sub-division**”);
- (d) immediately following the Capital Reduction and the Share Sub-division, the authorised share capital of the Company be changed from US\$40,000,000 divided into 1,000,000,000 Consolidated Shares to US\$40,000,000 divided into 40,000,000,000 New Shares;

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- (e) each of the New Shares arising from the Capital Reduction and the Share Sub-division shall rank *pari passu* in all respects with each other and shall have the rights and privileges and be subject to the restrictions as contained in the memorandum and articles of association of the Company; and
- (f) any one or more of the directors of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Capital Reduction and the Sub-division and of administrative nature, on behalf of the Company, including under seal where applicable, as he/they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Capital Reduction and the Sub-division.”

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

Hong Kong, 5 August 2022

*Head Office and Principal Place
of Business in Hong Kong:*
Unit 807, 8/F, Tower 1
Silvercord
30 Canton Road
Tsimshatsui, Kowloon, Hong Kong

Registered Office:
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Notes:

1. Any member of the Company (the “**Member**”) entitled to attend and vote at the Meeting or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more shares of the Company (the “**Shares**”), more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the articles of association. A proxy need not be a Member but must be present in person at the Meeting to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use in connection with the Meeting is enclosed. If you are not able to attend and vote at the Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the Meeting or its adjournment should he/she/it so wish. In such event, the form of proxy shall be deemed to be revoked.

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3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 15 August 2022) not later than 48 hours before the time appointed for holding the Meeting (i.e. by 11:00 a.m. on Monday, 29 August 2022) or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the Meeting or its adjournment should he/she/it so wish.
4. Where there are joint holders of any Share, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such Share as if he/she/it was solely entitled thereto; but should more than one of such joint holders be present at the Meeting in person or by proxy, that one of the said joint holders so present whose name stands first on the register of Members in respect of such Share(s) shall alone be entitled to vote in respect thereof.
5. For determining Members' entitlement to attend and vote at the Meeting, the register of Members will be closed from Friday, 26 August 2022 to Wednesday, 31 August 2022 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at Meeting, the non-registered shareholders must lodge all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 15 August 2022) for registration not later than 4:30 p.m. on Thursday, 25 August 2022.
6. In compliance with Rule 17.47(4) of the GEM Listing Rules, voting on all proposed resolutions set out in the notice will be taken by a poll.
7. If tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at 7:00 a.m. on Wednesday, 31 August 2022, the Meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The Meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the Meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

PRECAUTIONARY MEASURES FOR THE MEETING

The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Meeting to protect attending shareholders, staff and stakeholders from the risk of infection: –

- (i) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.

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(ii) The Company encourages each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.

(iii) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the Meeting as their proxy to vote on the relevant resolution(s) at the Meeting instead of attending the Meeting in person, by completing and return the proxy form attached to this document.

If any shareholder chooses not to attend the Meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office. If any shareholder has any question relating to the Meeting, please contact Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong as follows: –

Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185