



Pacific Online Limited  
太平洋網絡有限公司

# INTERIM REPORT 2024

Incorporated in the Cayman  
Islands with limited liability

Stock Code : **543**





## CONTENTS

Corporate Information	<b>2</b>
Condensed Consolidated Interim Income Statement	<b>3</b>
Condensed Consolidated Interim Statement of Comprehensive Income	<b>4</b>
Condensed Consolidated Interim Balance Sheet	<b>5</b>
Condensed Consolidated Interim Statement of Changes in Equity	<b>7</b>
Condensed Consolidated Interim Statement of Cash Flows	<b>8</b>
Notes to the Interim Financial Information	<b>9</b>
Chairman's Statement	<b>27</b>
Management Discussion and Analysis	<b>28</b>
Other Information	<b>31</b>



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Dr. Lam Wai Yan  
*(Chairman and Chief Executive Officer)*  
Mr. Ho Kam Wah  
Mr. Wang Ta-Hsing

#### Independent Non-executive Directors

Mr. Tsui Yiu Wa, Alec  
Mr. Thaddeus Thomas Beczak  
Mr. Lam Wai Hon, Ambrose

### COMPANY SECRETARY

Mr. Wong Huk Yung, Hudson

### AUTHORISED REPRESENTATIVES

Mr. Wang Ta-Hsing  
Mr. Wong Huk Yung, Hudson

### AUDIT COMMITTEE

Mr. Tsui Yiu Wa, Alec *(Chairman)*  
Mr. Thaddeus Thomas Beczak  
Mr. Lam Wai Hon, Ambrose

### REMUNERATION COMMITTEE

Mr. Tsui Yiu Wa, Alec *(Chairman)*  
Mr. Thaddeus Thomas Beczak  
Mr. Lam Wai Hon, Ambrose

### NOMINATION COMMITTEE

Dr. Lam Wai Yan *(Chairman)*  
Mr. Tsui Yiu Wa, Alec  
Mr. Thaddeus Thomas Beczak

### PRINCIPAL BANKERS

Bank of China  
China Construction Bank  
China Merchants Bank  
OCBC Wing Hang Bank

### AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands) Limited  
Third Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman, KY1-1103  
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

### REGISTERED OFFICE

Third Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman, KY1-1103  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS

115 Gaopu Road  
Tianhe, Guangzhou  
PRC  
Postcode: 510663

### PLACE OF BUSINESS IN HONG KONG

Portion of Unit 807, Tower 2  
Lippo Centre, 89 Queensway  
Hong Kong

### GROUP'S PORTAL ADDRESSES

[www.pconline.com.cn](http://www.pconline.com.cn)  
[www.pcauto.com.cn](http://www.pcauto.com.cn)  
[www.pclady.com.cn](http://www.pclady.com.cn)  
[www.pcbaby.com.cn](http://www.pcbaby.com.cn)  
[www.pchouse.com.cn](http://www.pchouse.com.cn)

### WEBSITE ADDRESS

[corp.pconline.com.cn](http://corp.pconline.com.cn)

### STOCK CODE

543

# CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024



	Note	Unaudited Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	6	<b>276,378</b>	320,782
Cost of revenue		<b>(170,936)</b>	(238,505)
<b>Gross profit</b>		<b>105,442</b>	82,277
Selling and marketing costs		<b>(53,657)</b>	(80,435)
Administrative expenses		<b>(27,900)</b>	(21,675)
Product development expenses		<b>(16,186)</b>	(32,187)
Net (charges)/reversal of impairment losses on trade and other receivables		<b>(4,539)</b>	283
Other income	7	<b>9,463</b>	6,390
Other (losses)/gains — net	8	<b>(2,195)</b>	4,047
<b>Operating gain/(loss)</b>		<b>10,428</b>	(41,300)
Finance income		<b>2,225</b>	4,537
Finance cost		<b>(947)</b>	(1,355)
Finance income — net	9	<b>1,278</b>	3,182
<b>Profit/(loss) before income tax</b>		<b>11,706</b>	(38,118)
Income tax expense	10	<b>(1,576)</b>	(2,534)
<b>Profit/(loss) for the period</b>		<b>10,130</b>	(40,652)
<b>Attributable to:</b>			
— Equity holders of the Company		<b>10,130</b>	(38,087)
— Non-controlling interests		<b>—</b>	(2,565)
		<b>10,130</b>	(40,652)
<b>Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company for the period</b>	11		
— Basic and diluted (RMB)		<b>0.89 cents</b>	(3.36) cents

The above condensed consolidated interim income statement should be read in conjunction with the accompanying notes.



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Profit/(loss) for the period</b>	<b>10,130</b>	(40,652)
<b>Other comprehensive income</b>	—	—
<b>Total comprehensive income/(loss) for the period</b>	<b>10,130</b>	(40,652)
<b>Attributable to:</b>		
— Equity holders of the Company	<b>10,130</b>	(38,087)
— Non-controlling interests	—	(2,565)
	<b>10,130</b>	(40,652)

The above condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2024



	Note	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	13	10,358	10,611
Property and equipment	13	163,844	167,654
Investment property	13	53,482	54,412
Intangible assets	13	7,806	8,121
Deferred income tax assets	14	32,308	33,914
Investment in financial assets	16	25,552	31,106
		<b>293,350</b>	305,818
<b>Current assets</b>			
Trade and notes receivables, other receivables and prepayments	15	381,182	468,505
Cash and cash equivalents		252,142	271,819
		<b>633,324</b>	740,324
<b>Total assets</b>		<b>926,674</b>	1,046,142
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Ordinary shares	17	10,504	10,504
Reserves		652,524	687,252
		<b>663,028</b>	697,756
<b>Non-controlling interests</b>		—	5,023
<b>Total equity</b>		<b>663,028</b>	702,779

# CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2024

	Note	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		216	271
		<b>216</b>	271
<b>Current liabilities</b>			
Accruals and other payables	18	223,093	302,688
Contract liabilities		12,198	12,110
Current income tax liabilities		27,576	27,643
Lease liabilities		563	651
		<b>263,430</b>	343,092
<b>Total liabilities</b>		<b>263,646</b>	343,363
<b>Total equity and liabilities</b>		<b>926,674</b>	1,046,142

**Lam Wai Yan**  
Director

**Wang Ta-Hsing**  
Director

The above condensed consolidated interim balance sheet should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024



		Unaudited				
		Attributable to equity holders of the Company				
	Note	Ordinary shares RMB'000	Reserves RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Six months ended 30 June 2024</b>						
<b>Balance at 1 January 2024</b>		10,504	687,252	697,756	5,023	702,779
<b>Comprehensive income</b>						
Profit for the period		—	10,130	10,130	—	10,130
<b>Total comprehensive income</b>		10,504	697,382	707,886	5,023	712,909
<b>Transactions with equity holders</b>						
Cash dividends relating to 2023	12	—	(45,414)	(45,414)	—	(45,414)
Share Award Scheme						
— value of employee services	19	—	1,182	1,182	—	1,182
— purchase of shares held for share award scheme		—	(661)	(661)	—	(661)
Dividends paid to non-controlling interest in a subsidiary		—	—	—	(2,046)	(2,046)
Disposal of a subsidiary		—	35	35	(2,977)	(2,942)
<b>Balance at 30 June 2024</b>		10,504	652,524	663,028	—	663,028
<b>Six months ended 30 June 2023</b>						
<b>Balance at 1 January 2023</b>		10,504	831,680	842,184	4,634	846,818
<b>Comprehensive loss</b>						
Loss for the period		—	(38,087)	(38,087)	(2,565)	(40,652)
<b>Total comprehensive loss</b>		—	(38,087)	(38,087)	(2,565)	(40,652)
<b>Transactions with equity holders</b>						
Cash dividends relating to 2022	12	—	(113,231)	(113,231)	—	(113,231)
Share Award Scheme						
— value of employee services	19	—	1,056	1,056	—	1,056
<b>Balance at 30 June 2023</b>		10,504	681,418	691,922	2,069	693,991

The above condensed interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Unaudited Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		11,506	8,691
Income tax paid		(37)	(18,766)
Net cash generated from/(used in) operating activities		11,469	(10,075)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(696)	(1,020)
Disposals of property and equipment		209	116
Net cash inflow from disposal of a subsidiary, net of cash disposed of		1,371	—
Receipt from redemption of investment		15,252	—
Interest received		2,126	4,537
Net cash generated from investing activities		18,262	3,633
<b>Cash flows from financing activities</b>			
Cash dividends paid	12	(45,414)	(113,231)
Lease payments		(341)	(478)
Purchase of shares held for share award scheme		(661)	—
Dividends paid to non-controlling interest in a subsidiary		(2,046)	—
Net cash used in financing activities		(48,462)	(113,709)
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		271,819	399,985
Exchange loss on cash and cash equivalents		(946)	(1,328)
<b>Cash and cash equivalents at end of period</b>		<b>252,142</b>	<b>278,506</b>

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.



# NOTES TO THE INTERIM FINANCIAL INFORMATION

## FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 1. GENERAL INFORMATION

Pacific Online Limited (the “Company”) was incorporated on 27 August 2007 as an exempted company with limited liability under the Company Law, Cap.22 (Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of its registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman KY1-1103, Cayman Islands.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of internet advertising services in the People’s Republic of China (the “PRC”).

The Company has its shares listed on The Stock Exchange of Hong Kong Limited since 18 December 2007.

This condensed consolidated interim financial information (the “Interim Financial Information”) is presented in Renminbi (“RMB”), unless otherwise stated.

The Interim Financial Information has been approved for issue by the board of directors (the “Board”) of the Company on 29 August 2024.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim financial reporting”. The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information is to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period.

### 3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to Hong Kong Financial Reporting Standards (“HKFRS”) effective for the financial year ending 31 December 2024.

New standards, amendments to existing standards and interpretations effective for the financial year beginning on 1 January 2024 do not have a material impact on the Group’s financial statements.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.



## NOTES TO THE INTERIM FINANCIAL INFORMATION

### FOR THE SIX MONTHS ENDED 30 JUNE 2024

## 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, price risk, liquidity risk and credit risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

There have been no changes in the risk management policies since year end.

### 5.2 Foreign exchange risk

The Group mainly operates in the PRC and most of the Group's transactions, assets and liabilities are denominated in RMB. To maintain the flexibility in the Company and Hong Kong subsidiaries' payment of daily operation, the Group holds certain monetary assets denominated in Hong Kong dollar ("HKD") or US dollar ("USD") subject to certain thresholds stated in its treasury mandate. This exposes the Group to foreign exchange risk.

There is no other written policy to manage the foreign exchange risk in relation to HKD and USD as management considers that such risk could not be effectively reduced in a low-cost way. Accordingly, the Group did not purchase any forward contract to hedge the foreign exchange risk for the six months ended 30 June 2024 (six months ended 30 June 2023: same).

At 30 June 2024, the exchange rate of RMB to HKD and USD were 0.91268 and 7.1268 respectively. If RMB had strengthened/weakened by 0.5% against the HKD/USD with all other variables held constant, total comprehensive income for the period would have been RMB267,000 (31 December 2023: RMB208,000) lower/higher, mainly as a result of net foreign exchange losses/gains in HKD/USD denominated cash at bank.

### 5.3 Price risk

The Group is exposed to price risk because of investments held by the Group and classified on the condensed consolidated interim balance sheet as investment in financial assets. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. The investments made by the Group are either for the purpose of improving investment yield and maintaining high liquidity level simultaneously, or for strategic purpose. Each investment is managed by senior management on a case by case basis.

Investment in financial assets is held for strategic rather than trading purposes. The Group does not actively trade these investments.

The sensitivity analysis is determined based on the exposure to price risks of underlying investments related to investment in financial assets at the end of the reporting period. If equity prices of the respective underlying investments held by the Group had been 5% higher/lower as at 30 June 2024, post-tax profit for the period would have been approximately RMB1,278,000 (31 December 2023: RMB1,555,000) higher/lower.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024



### 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

#### 5.4 Liquidity risk

The Group aims to finance its operations with its own capital and earnings. It did not have any borrowings or credit facilities committed/utilised during the six months ended 30 June 2024 (six months ended 30 June 2023: same). Management considers that the Group does not have significant liquidity risk.

#### 5.5 Credit risk

Credit risk arises from cash and cash equivalents as well as trade and notes receivables, other receivables.

To manage this risk, deposits are mainly placed with state-owned financial institutions in the PRC and international financial institutions outside the PRC of high credit quality. There was no recent history of default of cash and cash equivalents and deposits from these financial institutions.

For trade receivables, the Group assesses the credit quality of the customers and debtors, taking into account their financial position, past experience and other factors. Individual credit terms are granted based on internal assessment results in accordance with guidance set by top management and are reviewed by sales department manager.

Notes receivables and other receivables are normally bank acceptance notes, advance to employees and deposits, the directors are of the opinion that no significant credit risk exists.

#### 5.6 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>				
Investment in financial assets 30 June 2024	—	—	25,552	25,552
Investment in financial assets 31 December 2023	—	—	31,106	31,106



## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

#### 5.6 Fair value estimation (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

The changes in level 3 instruments for the six months ended 30 June 2024 are presented in Note 16.

The directors determine the fair value of the Group's financial instruments carried at fair value in level 3 at each of the reporting dates.

For the six months ended 30 June 2024, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities (six months ended 30 June 2023: same).

The carrying amounts of the Group's trade and notes receivables and other receivables and accruals and other payables approximate their fair value due to their short maturities.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 6. SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors who make strategic decisions.

The Group is principally engaged in the provision of internet advertising services for different commodities. The chief operating decision-makers review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these internal reports.

The chief operating decision-makers consider the advertising business from the perspective of the different internet portals which it operates. As all revenues of the Group are generated from customers in the PRC, they are not further evaluated on a geographic basis.

The chief operating decision-makers assess the performance of the operating segments based on revenues generated. The reportable operating segments are grouped into PCauto, PConline and others. The Company currently does not allocate cost of revenue, operating costs or assets to its segments, as its chief operating decision-makers do not use this information to allocate resources to or evaluate the performance of the operating segments. Therefore, the Company does not report a measure of profit or total assets for each reportable segment.

Revenues of other segments relate to those generated from other portals, including baby and home products and other services.

There were no inter-segment sales for the six months ended 30 June 2024 (six months ended 30 June 2023: same). The revenue from external parties reported to the chief operating decision-makers is measured in a manner consistent with that in the condensed consolidated interim income statement.

	PCauto RMB'000 (Unaudited)	PConline RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Group RMB'000 (Unaudited)
<b>For the six months ended 30 June 2024</b>				
Timing of revenue recognition				
— Over time	165,162	22,189	11,291	198,642
— At a point in time	71,657	5,946	133	77,736
Revenue	236,819	28,135	11,424	276,378
<b>For the six months ended 30 June 2023</b>				
Timing of revenue recognition				
— Over time	177,115	31,753	5,474	214,342
— At a point in time	98,195	6,475	1,770	106,440
Revenue	275,310	38,228	7,244	320,782

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### FOR THE SIX MONTHS ENDED 30 JUNE 2024

#### 6. SEGMENT INFORMATION (CONTINUED)

Though the Company is domiciled in the Cayman Islands. For the six months ended 30 June 2024, all revenues of the Group were derived from external customers and they were all generated from the PRC (six months ended 30 June 2023: same).

As at 30 June 2024, other than club membership included in the intangible assets and investment in financial assets, majority of the other non-current assets of the Group were located in the PRC (31 December 2023: same).

During the six months ended 30 June 2023 and 2024, revenue derived from customers who accounted for more than 10% of total revenue were set out below.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
Customer A	<b>21%</b>	*
Customer B	<b>10%</b>	*
Customer C	*	12%
	<b>31%</b>	12%

Note\*: The revenue of the customer was less than 10% of the Group's revenue for the respective period.

#### 7. OTHER INCOME

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Rental income	<b>3,870</b>	3,317
Government grants	<b>1,997</b>	2,494
Additional deduction of input value-added tax	<b>3,596</b>	579
	<b>9,463</b>	6,390

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 8. OTHER (LOSSES)/GAINS — NET

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Fair value (loss)/gain on investment in financial assets	(4,182)	4,047
Gain on disposal of a subsidiary	1,987	—
	<b>(2,195)</b>	4,047

### 9. FINANCE INCOME — NET

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Finance income		
— Interest income	2,225	4,537
	<b>2,225</b>	4,537
Finance cost		
— Interest expense related to lease liabilities	(1)	(27)
— Net foreign exchange losses	(946)	(1,328)
	<b>(947)</b>	(1,355)
	<b>1,278</b>	3,182

### 10. INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
PRC current tax	56	1,009
Deferred taxation	1,520	1,525
	<b>1,576</b>	2,534

Income tax expense is recognised based on management's best estimate of the projected full year annual effective income tax rate.





## NOTES TO THE INTERIM FINANCIAL INFORMATION

### FOR THE SIX MONTHS ENDED 30 JUNE 2024

#### 10. INCOME TAX EXPENSE (CONTINUED)

The Company, which is a Cayman Islands corporation, is not subject to any profits tax. The subsidiaries of the Group incorporated in Hong Kong were not subject to Hong Kong profits tax as they had no assessable income arising in or derived from Hong Kong during the six months ended 30 June 2024 (six months ended 30 June 2023: same).

Current taxation primarily represented the provision for the PRC Corporate Income Tax ("CIT") for subsidiaries operating in the PRC. These subsidiaries are subject to CIT on their taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant tax laws and regulations in the PRC.

Pursuant to the PRC Corporate Income Tax Law ("CIT Law"), the CIT rate for domestic enterprises and foreign invested enterprises is 25%. In addition, the CIT Law provides for, among others, a preferential tax rate of 15% for enterprises qualified as High and New Technology Enterprises ("HNTE").

GZP Computer, a PRC operating subsidiary of the Company, was successfully renewed as HNTE in 2023 and the applicable income tax rate is 15% for the three years from 2023 to 2025. Guangzhou Yurui Information Technology Co., Ltd. (廣州裕睿信息科技有限公司, "GZ Yurui"), a PRC operating subsidiary of the Company, was successfully renewed as HNTE in 2022 and the applicable income tax rate is 15% for the three years from 2022 to 2024. Guangzhou Fengwang Information Technology Co., Ltd. (廣州鋒網信息科技有限公司, "GZ Fengwang"), a PRC operating subsidiary of the Company, was formally designated as HNTE in 2022 and the applicable income tax rate is 15% for the three years from 2022 to 2024. All the other PRC entities of the Group are subject to CIT at a rate of 25% in accordance with CIT Law.

Assuming that there is no change to the relevant laws and regulations, the directors consider three subsidiaries, including GZP Computer, GZ Yurui and GZ Fengwang, will be granted the preferential tax treatment through an application of renewal. Accordingly, tax rate of 15% has been applied when considering the deferred income tax of GZP Computer, GZ Yurui and GZ Fengwang.

According to CIT Law, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividends out of profits earned after 1 January 2008. A lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty agreements between the relevant authorities of the PRC and Hong Kong. Hence, the Group used 5% as its withholding tax rate for certain Hong Kong intermediate holding companies which are expected to fulfill the aforesaid conditions.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 11. PROFITS/(LOSSES) PER SHARE

#### (a) Basic

Basic profits/(losses) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period (excluding the ordinary shares purchased by the Group and held for the Share Award Scheme) (Note 19).

	Unaudited	
	Six months ended 30 June	
	2024	2023
Profit/(loss) attributable to equity holders of the Company (RMB'000)	10,130	(38,087)
Weighted average number of ordinary shares for basic profits/(losses) per share (thousand shares)	1,134,030	1,132,601
Basic profits/(losses) per share (RMB)	0.89 cents	(3.36) cents

#### (b) Diluted

Diluted profits/(losses) per share adjusts the figures used in the determination of basic profits/(losses) per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Diluted profits/(losses) per share equals to basic profits/(losses) per share as there were no potential diluted shares outstanding for the six months ended 30 June 2024 and 2023.

### 12. DIVIDENDS

A final dividend in respect of the year ended 31 December 2023 of RMB4.00 cents per ordinary share (2022: RMB10.00 cents per ordinary share) was approved by the shareholders at the annual general meeting on 3 May 2024. Such final dividend for 2023 totalling RMB45,414,000 was paid in 2024 (2022: RMB113,231,000 was paid in 2023), which has already excluded the dividend related to the ordinary shares held for the Share Award Scheme of RMB10,000 (2022: RMB329,000) (Note 19).

The directors did not recommend any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: same).

# NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

## 13. PROPERTY AND EQUIPMENT, INVESTMENT PROPERTY, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

	Right-of-use assets — land use rights and properties RMB'000 (Unaudited)	Property and equipment RMB'000 (Unaudited)	Investment property RMB'000 (Unaudited)	Intangible assets RMB'000 (Unaudited)
<b>Six months ended 30 June 2024</b>				
Net book amount as at 1 January 2024	10,611	167,654	54,412	8,121
Additions	257	683	—	—
Disposals	(22)	(404)	—	—
Depreciation and amortisation	(488)	(4,089)	(930)	(315)
Net book amount as at 30 June 2024	10,358	163,844	53,482	7,806
<b>Six months ended 30 June 2023</b>				
Net book amount as at 1 January 2023	14,774	174,540	51,803	7,841
Additions	1,271	1,018	—	2
Disposals	—	(116)	—	—
Depreciation and amortisation	(633)	(4,560)	(879)	(15)
Net book amount as at 30 June 2023	15,412	170,882	50,924	7,828

## 14. DEFERRED INCOME TAX ASSETS

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Deferred income tax assets:		
— to be recovered within 12 months	3,451	6,087
— to be recovered after more than 12 months	28,857	27,827
	32,308	33,914

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 14. DEFERRED INCOME TAX ASSETS (CONTINUED)

The movement of deferred income tax assets during the period is as follows:

	<b>Advertising expenses in excess of allowance</b> RMB'000 (Unaudited)	<b>Provision for impairment of trade receivables</b> RMB'000 (Unaudited)	<b>Accrued advertising and other expenses</b> RMB'000 (Unaudited)	<b>Tax losses</b> RMB'000 (Unaudited)	<b>Total</b> RMB'000 (Unaudited)
At 1 January 2024	—	20,716	6,087	7,111	33,914
Credited/(charged) to the condensed consolidated interim income statement	—	1,052	(2,572)	—	(1,520)
Disposal of a subsidiary	—	(22)	(64)	—	(86)
At 30 June 2024	—	21,746	3,451	7,111	32,308
At 1 January 2023	8,848	42,256	11,061	6,337	68,502
Credited/(charged) to the condensed consolidated interim income statement	(1,448)	(43)	1,566	(1,600)	(1,525)
At 30 June 2023	7,400	42,213	12,627	4,737	66,977

### 15. TRADE AND NOTES RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	<b>Unaudited</b> <b>As at</b> <b>30 June</b> <b>2024</b> <b>RMB'000</b>	Audited As at 31 December 2023 RMB'000
Trade receivables, net of impairment provision (a)	343,869	407,168
Other receivables (b)	10,986	28,103
Prepaid value-added tax	11,575	11,479
Prepayments to suppliers	1,494	2,042
Notes receivables	13,258	19,713
	<b>381,182</b>	468,505

As at 30 June 2024, trade and notes receivables, other receivables and prepayments were all denominated in RMB (31 December 2023: same).

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 15. TRADE AND NOTES RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

#### (a) Trade receivables, net of impairment provision

Credit terms granted by the Group are generally within a period of three months to one year. The ageing analysis of the trade receivables (net of impairment provision of RMB102,667,000 (31 December 2023: RMB98,171,000)) based on recognition date is as follows:

	<b>Unaudited As at 30 June 2024 RMB'000</b>	Audited As at 31 December 2023 RMB'000
Current to 6 months	<b>264,957</b>	326,831
6 months to 1 year	<b>67,374</b>	69,437
1 year to 2 years	<b>10,954</b>	10,319
Above 2 years	<b>584</b>	581
	<b>343,869</b>	407,168

The ending loss allowances for trade receivables reconcile to the opening loss allowances as follows:

	<b>Unaudited As at 30 June 2024 RMB'000</b>	Audited As at 31 December 2023 RMB'000
At beginning of the period	<b>98,171</b>	200,563
Impairment charge	<b>4,554</b>	1,610
Receivables written off	<b>(58)</b>	(104,002)
At end of the period	<b>102,667</b>	98,171

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 15. TRADE AND NOTES RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

#### (b) Other receivables

	<b>Unaudited As at 30 June 2024 RMB'000</b>	Audited As at 31 December 2023 RMB'000
Redemption receivables	<b>2,966</b>	16,894
Advance to employees	<b>3,689</b>	6,611
Rental receivable	<b>134</b>	268
Others	<b>4,197</b>	4,330
	<b>10,986</b>	28,103

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

### 16. INVESTMENT IN FINANCIAL ASSETS

In June 2014, the Group made an equity investment with an amount of USD5,000,000 in a private fund (the "Fund") which invested in shares of companies principally engaged in internet business ("Equity Investments"). The Group neither have control nor significant influence over the Fund. As at 30 June 2024, the Group held around 18.26% (31 December 2023: 24.35%) interests of the Fund.

Management assessed the fair value of the Group's investment in financial assets as at 30 June 2024 based on the net asset value of the Fund provided by the Fund's administrator and calculated the portion attributable to the Group.

The net asset value of the Fund provided by the Fund's administrator is based on the fair value of underlying investments held by the Fund, which are mainly influenced by the recent market price of its underlying investments.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### FOR THE SIX MONTHS ENDED 30 JUNE 2024

#### 16. INVESTMENT IN FINANCIAL ASSETS (CONTINUED)

As at 30 June 2024 and 31 December 2023, the Group's portion of net asset value of the Fund was attributable to the following:

	<b>Unaudited As at 30 June 2024 RMB'000</b>	Audited As at 31 December 2023 RMB'000
Equity Investments and other investments	<b>25,552</b>	31,106

During the six months ended 30 June 2024 and 2023, movement on investment in financial assets is as follows:

	<b>Unaudited 30 June 2024 RMB'000</b>	Unaudited 30 June 2023 RMB'000
At beginning of the period	<b>31,106</b>	40,600
Changes in fair value:	<b>(4,182)</b>	4,047
— Equity Investments and other Investments	<b>(4,182)</b>	257
— Cryptocurrency Investments (a)	<b>—</b>	3,790
Redemption	<b>(1,372)</b>	—
At end of the period	<b>25,552</b>	44,647

- (a) In accordance with an letter agreement dated 18 December 2023, the Group redeemed the entire amount of its cryptocurrency investments effective on 31 December 2023. During the six months ended 30 June 2024, redeemed value of RMB15,252,000 had been collected and as at 30 June 2024, the Group had no cryptocurrency investments.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 17. ORDINARY SHARES

<b>Authorised ordinary shares</b>			
	Number of shares (‘000)	HKD’000	RMB’000
At 31 December 2023 and 30 June 2024	100,000,000	1,000,000	969,200
<b>Issued and fully paid up</b>			
	Number of shares (‘000)	HKD’000	RMB’000
	(Unaudited)	(Unaudited)	(Unaudited)
<b>At 1 January 2024 and 30 June 2024</b>	1,135,597	11,356	10,504
<b>At 1 January 2023 and 30 June 2023</b>	1,135,597	11,356	10,504

- (a) As at 30 June 2024, the total number of issued ordinary shares of the Company was 1,135,597,000 shares (31 December 2023: same) which included 240,000 shares (31 December 2023: 1,615,000 shares) held under the Share Award Scheme (Note 19).

### 18. ACCRUALS AND OTHER PAYABLES

	<b>Unaudited As at 30 June 2024 RMB’000</b>	Audited As at 31 December 2023 RMB’000
Accrued expenses (a)	<b>180,429</b>	226,785
Salaries payable	<b>26,427</b>	51,238
Other payables	<b>8,343</b>	10,492
Other tax payables	<b>7,894</b>	14,173
	<b>223,093</b>	302,688

- (a) Accrued expenses of the Group mainly represented accruals of service commission fees payable to advertising agencies, outsourcing production costs and advertising expenses.



# NOTES TO THE INTERIM FINANCIAL INFORMATION

## FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 19. SHARE AWARD SCHEME

On 10 January 2011, the Board approved and adopted the Share Award Scheme for selected employees of the Group. The Group has set up a trust (the "Share Award Scheme Trust") for the purpose of administering the Share Award Scheme and holding shares awarded or to be awarded to the employees (the "Awarded Shares") before vesting. Unless early terminated by the Board, the Share Award Scheme shall be valid and effective for a term of ten years commencing on 10 January 2011.

Pursuant to the Board's resolution passed on 21 December 2020 (the "Adoption Date"), as the above-mentioned Shared Award Scheme will be expired on 9 January 2021, the Company has adopted a new scheme with a term of 10 years commencing from 21 December 2020 (the "New Scheme"). The New Scheme does not constitute a share option scheme and is a discretionary scheme of the Company.

The Board implements the scheme in accordance with the terms of the scheme rules including providing necessary funds to the trustee for the purchase of shares up to 5% of the issued share capital of the Company as of the Adoption Date.

Employees are not entitled to dividends on any awarded shares until these shares are transferred to them at the end of the vesting period.

The movements in the number of shares held for the Share Award Scheme are as follows:

	<b>Awarded shares</b> (thousands)	<b>Shares to be awarded</b> (thousands)	<b>Total</b> (thousands)
At 1 January 2024	—	<b>1,615</b>	<b>1,615</b>
Granted	<b>2,900</b>	<b>(2,900)</b>	—
Vested and transferred	<b>(2,900)</b>	—	<b>(2,900)</b>
Purchase of shares held for share award scheme	—	<b>1,525</b>	<b>1,525</b>
At 30 June 2024	—	<b>240</b>	<b>240</b>
At 1 January 2023	—	3,160	3,160
Granted	1,746	(1,746)	—
Vested and transferred	(1,746)	—	(1,746)
At 30 June 2023	—	1,414	1,414



## NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 19. SHARE AWARD SCHEME (CONTINUED)

For the Awarded Shares granted under the Share Award Scheme, the fair value is recognised as an expense over the period in which the vesting conditions are fulfilled. The total amount to be expensed over the vesting period is determined by reference to the fair value of the Awarded Shares granted.

During the six months ended 30 June 2024, 2,900,000 shares held by the trustee were granted to certain employees. A credit of RMB1,182,000 to reserves was recorded in the Group's condensed consolidated interim balance sheet.

The fair value of the Awarded Shares granted during the period ended 30 June 2024 and their vesting period are as follows:

<b>Dates of grant</b>	<b>Total value of shares at grant dates (RMB)</b>	<b>Number of shares granted (thousands)</b>	<b>Market price at grant dates (RMB)</b>	<b>Vesting period</b>
12 April 2024	1,182,000	2,900	0.41	None

The fair value of the Awarded Shares was calculated based on market prices of the Company's shares as at the respective grant dates. A total expense of RMB1,182,000 was recognised for employee services received in respect of the Share Award Scheme for the period ended 30 June 2024 (six months ended 30 June 2023: RMB1,056,000).

During the period ended 30 June 2024, the Share Award Scheme Trust received cash dividend amounting to RMB10,000 (six months ended 30 June 2023: RMB329,000) which will be used to pay for the fees of trust or purchase a maximum number of shares as specified by the Board.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

## FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 20. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other parties or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

#### (a) Name and relationship with related parties

Name	Relationship
Kexim Company Limited ("Kexim")	Controlled by executive director Mr. Wang Ta-Hsing
Beijing Pacific Times Property Management Co., Ltd. ("Pacific Times")	Controlled by executive director Mr. Wang Ta-Hsing

#### (b) Related party transactions

The Group undertook the following related party transactions during the period:

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Rental expenses for office: Kexim	152	148

These transactions were conducted at terms pursuant to agreements entered into between the Group and the respective related parties.

#### (c) Balances with related parties

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Included in lease liabilities: Kexim	141	279

The balances with related parties and are unsecured, interest-free, repayable on demand and denominated in RMB.



## CHAIRMAN'S STATEMENT

On behalf of the Board, I would like to present the interim results of the Group for the six months ended 30 June 2024 to our shareholders.

The total revenue for the first half of the year came out to about RMB276.4 million, a decrease of 13.8% from the year before. However, the net profit attributable to equity holders was RMB10.1 million, and the net loss attributable to equity holders was RMB38.1 million in the first half of 2023.

In the first half of 2024, the Company was focused on developing new marketing channels, improving our content offerings and identifying new business opportunities. Among the new products developed in the first half were artificial intelligence (AI) driven Software-as-a-Service tools (SAAS) that were marketed to PCauto and POnline clients.

PCauto's revenue decreased by 14.0% compared to the year before and accounted for 85.7% of the total revenue of the Group in the first half of 2024. During the reporting period, profit margins for automobile manufacturers have generally remained low due to their ongoing domestic EV price competition; this has led to continued limitations on marketing and advertising spending from manufacturers. For that reason, among our new products offered the AI-SAAS tools have been most warmly received as they allow advertisers to reduce costs, streamline operations, and react quicker to trends. We believe that we can continue to make an impact with both manufacturers and consumers and continue to grow our brand recognition. As consumer tastes continue to rapidly evolve, PCauto has also continued to focus on organizing online-to-offline marketing events and greater localization to better suit consumer tastes.

POne's revenue decreased by 26.4% compared to the year before and accounted for 10.2% of the total revenue of the Group. In the first half of the year manufacturers took a conservative approach to product development and advertising, and looking ahead to the second half the Group continues to remain cautious. As a result, POnline continued to drive online-to-offline marketing experiences to better reach consumers through key industry exhibitions and promotional events. Additionally, POnline and PChouse has continued to leverage each other's expertise in expanding content related to the "smart home" segment and in better providing solutions to consumers.

Looking ahead, we will continue to be cautious as we expect the coming months to remain uncertain and difficult to predict in the near term. In the second half of the year, we will continue to explore new business model opportunities and build our platform influence while seizing on the momentum of the domestic New Energy Vehicle industry transition to domestic manufacturers. We believe that there are more opportunities that we can integrate AI in exploring ways for the Group in improving our brand value and developing our digital content platform across all our relevant industries.



## MANAGEMENT DISCUSSION AND ANALYSIS

### REVENUE

Revenue decreased 13.8% from RMB320.8 million for the six months ended 30 June 2023 to RMB276.4 million for the six months ended 30 June 2024.

Revenue for PCauto, the Group's automobile portal, decreased 14.0% from RMB275.3 million for the six months ended 30 June 2023 to RMB236.8 million during the six months ended 30 June 2024. The decrease in revenue for PCauto was mainly due to decreased advertising spending from automobile manufacturers. As a percentage of revenue, PCauto accounted for 85.8% during the six months ended 30 June 2023 and 85.7% during the six months ended 30 June 2024.

Revenue for PConline, the Group's IT and consumer electronics portal, decreased 26.4% from RMB38.2 million during the six months ended 30 June 2023 to RMB28.1 million during the six months ended 30 June 2024. The decrease was due to decline in demand from consumer electronics manufacturers. As a percentage of revenue, PConline accounted for 11.9% during the six months ended 30 June 2023 and 10.2% during the six months ended 30 June 2024.

Revenue from other operations, including the PCbaby and PChouse portals, increased by 57.7% from RMB7.3 million during the six months ended 30 June 2023 to RMB11.4 million during the six months ended 30 June 2024. The increase was mainly from the home decoration market. As a percentage of revenue, revenue from other operations accounted for 2.3% during the six months ended 30 June 2023 and 4.1% during the six months ended 30 June 2024.

### COST OF REVENUE

Cost of revenue decreased 28.3% from RMB238.5 million during the six months ended 30 June 2023 to RMB170.9 million during the six months ended 30 June 2024. Gross profit margin was 25.6% during the six months ended 30 June 2023 and 38.2% during the six months ended 30 June 2024. The decrease in cost of revenue was mainly due to decrease in outsourcing production cost and service commission to advertising agencies during the period.

### SELLING AND MARKETING COSTS

Selling and marketing costs decreased 33.3% from RMB80.4 million during the six months ended 30 June 2023 to RMB53.7 million during the six months ended 30 June 2024. The decrease was mainly due to decrease in advertising expenses and staff costs during the period.

### ADMINISTRATIVE EXPENSES

Administrative expenses increased by 28.7% from RMB21.7 million during the six months ended 30 June 2023 to RMB27.9 million during the six months ended 30 June 2024, mainly due to increase in staff costs during the period.



## MANAGEMENT DISCUSSION AND ANALYSIS

### PRODUCT DEVELOPMENT EXPENSES

Product development expenses decreased by 49.7% from RMB32.2 million during the six months ended 30 June 2023 to RMB16.2 million during the six months ended 30 June 2024. The decrease was primarily due to decrease in staff costs and general expenses in the Group's research and development team.

### NET (CHARGES)/REVERSAL OF IMPAIRMENT LOSSES ON TRADE AND OTHER RECEIVABLES

Net reversal of impairment losses on trade and other receivables was RMB283,000 during the six months ended 30 June 2023 and net charges of impairment losses on trade and other receivables was RMB4.5 million during the six months ended 30 June 2024. The net charges of impairment losses on trade and other receivables was mainly due to longer account receivables outstanding during the period.

### OTHER INCOME

Other income was RMB6.4 million during the six months ended 30 June 2023 and was RMB9.5 million during the six months ended 30 June 2024. The increase was due to more additional deduction of input value added tax during the period.

### OTHER (LOSSES)/GAINS — NET

Other losses was RMB2.2 million during the six months ended 30 June 2024 and other gains was RMB4.0 million during the six months ended 30 June 2023. The losses was mainly due to the change in fair value of a passive equity investment of a fund.

### FINANCE INCOME — NET

Net finance income was RMB3.2 million during the six months ended 30 June 2023 and was RMB1.3 million during the six months ended 30 June 2024. The decrease was mainly due to less interest income during the period.

### INCOME TAX EXPENSE

Income tax expense decreased 37.8% from RMB2.5 million during the six months ended 30 June 2023 to RMB1.6 million during the six months ended 30 June 2024.

### NET PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS

Net profit attributable to equity holders was RMB10.1 million during the six months ended 30 June 2024 and net loss attributable to equity holders was RMB38.1 million during the six months ended 30 June 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS

### LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2024, the Group had short-term deposits and cash totaling RMB252.1 million, compared with RMB271.8 million as of 31 December 2023. The decline in cash was primarily due to the payment of a cash dividend totalling RMB45.4 million during the six months ended 30 June 2024. The Company had no external debt as of 31 December 2023 and 30 June 2024.

### BANK BORROWINGS

As of 30 June 2024, The Group did not have any bank borrowings and therefore, its gearing ratio, representing the ratio of total bank borrowings to shareholders' equity, was nil. The Group also did not have any bank borrowings as of 31 December 2023.

### MATERIAL ACQUISITIONS AND DISPOSAL

During the six months ended 30 June 2024, the Group had no material acquisitions and disposals of subsidiaries and associates.

### CHARGES ON ASSETS

As of 30 June 2024, the Group had no bank deposits or other assets pledge to secure its banking facilities.

### FOREIGN EXCHANGE RISK

The Group's operating activities were principally carried out in Mainland China, with most of its transactions denominated and settled in Renminbi. Therefore, the overall foreign currency risk was not considered to be significant.

### EMPLOYEES AND REMUNERATION INFORMATION

As of 30 June 2024, the Group had 736 employees (31 December 2023: 771), a decrease of 4.5% from the first half of 2024. This is the result of the Group's internal restructuring and streamlining its support operations. The Group determines staff's remuneration based on factors such as performance and years of experience.

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

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2024.

As of 30 June 2024, there were no treasury shares held by the Company.

### **AUDIT COMMITTEE**

The Audit Committee of the Company, which comprises all the three independent non-executive directors of the Company, namely, Mr. Tsui Yiu Wa, Alec (Chairman of the Audit Committee), Mr. Thaddeus Thomas Beczak and Mr. Lam Wai Hon, Ambrose, has reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control and financial reporting matters, including the review of these interim results.

The Audit Committee has reviewed the audit qualified opinion of the Company for the year ended 31 December 2023 (the "Audit Qualification"), and is aware of the legacy consequences of the Audit Qualification on the Company's financial statements. The Company expects that this audit issue shall be resolved following our disposal of the Group's cryptocurrency investments in 2023.

### **CORPORATE GOVERNANCE**

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code as contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange during the six months ended 30 June 2024, except that there is no separation of the role of chairman and chief executive as stipulated in the code provision C.2.1. Dr. Lam Wai Yan currently assumes the role of both the Chairman and the Chief Executive Officer of the Company. As Dr. Lam is a co-founder of the Group and has extensive experience in the internet industry, the Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies. As such, it is beneficial to the business prospects of the Group.

### **SHARE OPTION PLAN**

The Company has adopted a Share Option Plan at the annual general meeting of the Company held on 19 May 2017. The purpose of the Share Option Plan of the Company is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations.

The number of share options available for grant under the mandate of the Share Option Plan as at 1 January 2024 and 30 June 2024 were 113,320,566.

As at 30 June 2024, the Company has no outstanding share options under the Share Option Plan. No share options have been granted/exercised/cancelled/lapsed under the Share Option Plan during the six months ended 30 June 2024.





## OTHER INFORMATION

### SHARE AWARD SCHEME

The Board adopted a restricted share award scheme (the “2011 Restricted Share Award Scheme”) on 10 January 2011 (the “Adoption Date”) as an incentive to retain and encourage the eligible participants for the continual operation and development of the Group. Eligible participants include any director, any employee, any consultant or adviser of or to the Company or the Group and who, in the absolute opinion of the Board, have contributed to the Company or the Group.

Pursuant to the 2011 Restricted Share Award Scheme, the Board may, from time to time, at its absolute discretion select eligible participants and determine the number of shares to be awarded. The aggregate number of shares to be awarded by the Board throughout the duration of the 2011 Restricted Share Award Scheme shall not exceed 2.5% of the issued share capital of the Company as at the Adoption Date. The term of the 2011 Restricted Share Award Scheme is 10 years commencing from the Adoption Date and it has expired on 9 January 2021.

Given that the 2011 Restricted Share Award Scheme has expired on 9 January 2021 and among the threshold of up to 2.5% of the then issued share capital of the Company which the Board can award, the Board had already awarded nearly half of it, the Board has resolved on 21 December 2020 (the “New Adoption Date”) to adopt a new restricted share award scheme (the “New Share Award Scheme”) with a term of 10 years commencing from the New Adoption Date as an incentive to retain and encourage the eligible participants for the continual operation and development of the Group, pursuant to which the restricted shares are comprised of (i) new shares to be allotted and issued to selected participants under the general mandate or specific mandate sought from the shareholders of the Company in general meetings from time to time; and/or (ii) existing shares to be purchased by the trustee from the market out of cash contributed by the Group. The shares will be held in trust for the relevant selected participants until such shares are vested with the relevant selected participants in accordance with the provisions of the New Share Award Scheme.

The Board has implemented the New Share Award Scheme in accordance with the terms of the scheme rules including to provide necessary funds to the trustee for purchase of shares up to the scheme mandate.

The New Share Award Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules.

Summary of the New Share Award Scheme is as follows:

- The purpose and objectives of the New Share Award Scheme are: (i) to recognise and motivate the contribution of certain eligible participants and (ii) to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.



## OTHER INFORMATION

- The eligible participants include any directors (whether executive or non-executive and whether independent or not), any employees (whether full time or part-time), any consultants or advisers of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the opinion of the chief operating officer or the senior management of the Group, have contributed to the Company or the Group.
- The awarded shares to be granted are subject to acceptance of the selected participants within the time as stipulated in the grant letter. There are no amount payable on application or acceptable of the award and no purchase price of shares awarded.
- When the selected participant has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that eligible participant.
- The Board shall not make any further award of restricted shares which will result in the aggregate number of restricted shares awarded by the Board throughout the duration of the New Share Award Scheme to be in excess of 5% of the issued share capital of the Company as at the New Adoption Date. The maximum number of restricted shares which may be awarded to a selected participant under the New Share Award Scheme shall not exceed 0.5% of the issued share capital of the Company as at the New Adoption Date.
- The Board may from time to time while the New Share Award Scheme is in force and subject to all applicable laws, determine the vesting criteria and conditions or periods for the awarded shares to be vested/lapsed.
- The New Share Award Scheme will remain in force for a period of 10 years, commencing on 21 December 2020. The remaining life of the New Share Award Scheme is approximately 6 years.
- The trustee shall not exercise the voting rights in respect of any shares held under the trust (including but not limited to the awarded restricted shares, and further shares acquired out of the income derived therefrom).

Details of the New Share Award Scheme were disclosed in the Company's announcements dated 21 December 2020 and 29 December 2020.

Details of the awarded shares, involving existing shares of the Company, granted during the six months ended 30 June 2024 are set out in note 19 to the Interim Financial Information.

## OTHER INFORMATION

Details of the share awards, involving existing shares of the Company, during the year ended 31 December 2023 are as follows:

Participants	Date of grant	Vesting date	Purchase price (HK\$)	Number of awarded shares					Closing price immediately before the date on which the awarded shares were granted (HK\$ per share)	Weighted average closing price immediately before the dates on which the awarded shares were vested (HK\$ per share)	Performance targets of the awarded shares granted
				unvested as at 1 January 2023	granted during the year	vested during the year	lapsed/ cancelled during the year	unvested as at 31 December 2023			
<b>Employees of the Group</b>											
Five highest paid employees	18 April 2023	18 April 2023	Nil	—	1,296,000	(1,296,000)	—	—	0.79	0.79	N/A
Other employees	18 April 2023	18 April 2023	Nil	—	450,000	(450,000)	—	—	0.79	0.79	N/A
Total				—	1,746,000	(1,746,000)	—	—			

No share awards, involving issue of new shares of the Company, have been granted/vested/lapsed/ cancelled under the New Share Award Scheme during the year ended 31 December 2023.

Details of the share awards, involving existing shares of the Company, during the six months ended 30 June 2024 are as follows:

Participants	Date of grant	Vesting date	Purchase price (HK\$)	Number of awarded shares					Closing price immediately before the date on which the awarded shares were granted (HK\$ per share)	Weighted average closing price immediately before the dates on which the awarded shares were vested (HK\$ per share)	Performance targets of the awarded shares granted
				unvested as at 1 January 2024	granted during the period	vested during the period	lapsed/ cancelled during the period	unvested as at 30 June 2024			
<b>Employees of the Group</b>											
	12 April 2024	12 April 2024	Nil	—	2,900,000	(2,900,000)	—	—	0.45	0.45	N/A
Total				—	2,900,000	(2,900,000)	—	—			

No share awards, involving issue of new shares of the Company, have been granted/vested/lapsed/ cancelled under the New Share Award Scheme during the six months ended 30 June 2024.

The number of share awards available for grant under the mandate of the New Share Award Scheme as at 1 January 2024 and 30 June 2024 were 51,462,733 and 48,562,733 respectively.

## DIRECTORS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests of the directors of the Company in the shares and underlying shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

### Interests in shares of the Company

Name of director	Long/Short position	Capacity	Number of ordinary shares in the Company	Percentage of the Company's issued share capital <sup>†</sup>
Dr. Lam Wai Yan	Long	Beneficial owner	320,810,561	28.25%
Mr. Ho Kam Wah	Long	Interests held by a controlled corporation (Note)	99,348,480	8.75%
	Long	Beneficial owner	3,491,565	0.31%
			102,840,045	9.06%
Mr. Wang Ta-Hsing	Long	Beneficial owner	3,458,015	0.30%
Mr. Tsui Yiu Wa, Alec	Long	Beneficial owner	232,051	0.02%
Mr. Thaddeus Thomas Beczak	Long	Beneficial owner	232,051	0.02%

Note: These shares were held by Treasure Field Holdings Limited, a controlled corporation of Mr. Ho Kam Wah.

<sup>†</sup> The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2024.

## OTHER INFORMATION

Save as disclosed above, as at 30 June 2024, none of the directors or chief executive of the Company had any interests or short positions in the shares and 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 and short positions which he/she was deemed or taken to have under such provisions of the SFO) or which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, as far as the directors of the Company are aware, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

#### Interests in shares of the Company

Name of substantial shareholder	Long/Short position	Capacity	Number of ordinary shares in the Company	Note	Percentage of the Company's issued share capital <sup>†</sup>
Ms. Ma Muk Lan	Long	Interests of spouse	320,810,561	(1)	28.25%
Gallop Assets Management Limited	Long	Beneficial owner	296,172,030	(2)	26.08%
J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Gallop Trust	Long	Trustee	296,172,030	(2)	26.08%
Treasure Field Holdings Limited	Long	Beneficial owner	99,348,480	(3)	8.75%

### Notes:

- (1) Ms. Ma Muk Lan was deemed to be interested in 320,810,561 shares of the Company through the interests of her spouse, Dr. Lam Wai Yan.
  - (2) These shares were held by Gallop Assets Management Limited, the entire issued share capital of which was owned by J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Gallop Trust. As such, J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Gallop Trust was deemed to be interested in 296,172,030 shares of the Company held by Gallop Assets Management Limited.
  - (3) The interests of Treasure Field Holdings Limited was also disclosed as the interests of Mr. Ho Kam Wah in the above section headed "Directors' interests in the shares and underlying shares of the Company and its associated corporations".
- † The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, no person, other than the directors of the Company whose interests are set out in the above section headed "Directors' interests in the shares and underlying shares of the Company and its associated corporations", had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Own Code") on terms no less exacting than the Model Code.

Specific enquiry has been made of the Company's directors and all of them have confirmed that they have complied with the Own Code and the Model Code throughout the accounting period covered by the interim report.

### COMPLIANCE WITH WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS BY THE RELEVANT EMPLOYEES OF THE COMPANY

The Company has established written guidelines for the relevant employees of the Company (the "Relevant Employees") in respect of their dealings in the securities of the Company (the "Written Guidelines") on terms no less exacting than the required standards set out in the Model Code. For this purpose, Relevant Employees include any employee of the Company or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, is likely to possess inside information in relation to the Company or its securities. No incident of non-compliance of the Written Guidelines was noted by the Company throughout the accounting period covered by the interim report.



## OTHER INFORMATION

### APPRECIATION

I would like to take this opportunity to express my gratitude, on behalf of the Board, to all our employees for their contribution and to all our shareholders for their continuous support of our Group.

On behalf of the Board  
**Pacific Online Limited**  
**Lam Wai Yan**  
*Chairman*

Hong Kong, 29 August 2024