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## **BEIJING MEDIA CORPORATION LIMITED**

### **北青傳媒股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1000)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **FINANCIAL HIGHLIGHTS:**

1. Total operating income of the Group for the year of 2023 was RMB200,784 thousand, representing an increase of RMB42,387 thousand or 26.76% as compared with 2022.
2. Net loss of the Group attributable to the shareholders of the Company for the year of 2023 was RMB15,320 thousand, representing a decrease of net loss of RMB8,180 thousand or 34.81% as compared with 2022.
3. Earnings per share was RMB-0.08 in 2023; earnings per share was RMB-0.12 in 2022.
4. As of 31 December 2023, the equity of the Group attributable to the shareholders of the Company was RMB623,207 thousand and the gearing ratio of the Group was 12.07%.
5. The Board did not propose to declare a final dividend for the year 2023.

The Board announces the audited consolidated results of the Group for the year ended 31 December 2023 which have been prepared in accordance with the PRC Accounting Standards and the disclosure requirements of the Listing Rules and the Hong Kong Companies Ordinance.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

Items	Notes	<i>RMB'000</i>	
		For the year ended 31 December 2023	For the year ended 31 December 2022
<b>Total operating income</b>	1	<u>200,784</u>	<u>158,397</u>
<b>Total operating costs</b>		<b>230,325</b>	199,849
Operating costs	1	171,661	150,916
Taxes and surcharges		2,169	2,322
Selling expenses		16,980	19,391
Administrative expenses		39,676	30,085
Financial expenses	3	(161)	(2,865)
Including: Interest expenses		170	5
Interest income		<u>432</u>	<u>2,965</u>
Add: Other income		68	154
Investment income (Loss represented in “-”)	4	17,584	23,581
Including: Gain from investments in associates	4	(230)	(256)
Gain on the changes in fair value			
(Loss represented in “-”)		4,132	(5,140)
Credit impairment losses			
(Loss represented in “-”)		(7,042)	(4,563)
Impairment loss of assets			
(Loss represented in “-”)		(416)	(228)
Gain on disposal of assets			
(Loss represented in “-”)		<u>4</u>	<u>4</u>
<b>Operating profit</b>		<b>(15,211)</b>	<b>(27,644)</b>
Add: non-operating income	5	294	123
Less: non-operating expenses	6	<u>108</u>	<u>58</u>
<b>Total profit</b>		<b>(15,025)</b>	<b>(27,579)</b>
Less: Income tax expenses	7	<u>(795)</u>	<u>595</u>
<b>Net profit</b>		<b>(14,230)</b>	<b>(28,174)</b>
Net profit attributable to:			
Net profit from continuing operations		<b>(14,230)</b>	<b>(28,174)</b>
Net profit from discontinued operations		—	—
Shareholders of the Company		<b>(15,320)</b>	<b>(23,500)</b>
Non-controlling shareholders		<u>1,090</u>	<u>(4,674)</u>

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the year ended 31 December 2023

Items	Notes	<i>RMB'000</i>	
		For the year ended 31 December 2023	For the year ended 31 December 2022
<b>Other net comprehensive income after tax</b>		<b>21,543</b>	11,797
Other net comprehensive income after tax			
attributable to the shareholders of the Company		<b>21,480</b>	11,735
Including: Other comprehensive income unqualified			
for subsequent reclassification into profit			
or loss		<b>21,387</b>	11,643
Including: Change in fair value of			
investment in other equity			
instruments		<b>21,387</b>	11,643
Including: Other comprehensive income subsequently			
reclassified into profit or loss		<b>93</b>	92
Including: Exchange differences from			
retranslation of financial			
statements		<b>93</b>	92
Other net comprehensive income after tax			
attributable to non-controlling shareholders		<b>63</b>	62
<b>Total comprehensive income</b>		<b>7,313</b>	(16,377)
Total comprehensive income attributable to			
shareholders of the Company		<b>6,160</b>	(11,765)
Total comprehensive income attributable to non-			
controlling shareholders		<b>1,153</b>	(4,612)
<b>Earnings per share:</b>			
Basic earnings per share (RMB)	8	<b>(0.08)</b>	(0.12)
Diluted earnings per share (RMB)	8	<b>(0.08)</b>	(0.12)
<b>Dividends</b>	9	—	—

## CONSOLIDATED BALANCE SHEET

As at 31 December 2023

Items	Notes	RMB'000	
		As at 31 December 2023	As at 31 December 2022
<b>Current assets:</b>			
Bank balances and cash		76,285	82,948
Financial assets held for trading	10	156,523	162,663
Notes receivable		151	382
Accounts receivable	11	21,379	17,900
Prepayments		3,854	2,496
Other receivables	12	15,871	11,800
Inventories		4,002	4,853
Other current assets		27,179	27,351
<b>Total current assets</b>		<b>305,244</b>	<b>310,393</b>
<b>Non-current assets:</b>			
Long-term equity investment		3,041	3,271
Investment in other equity instruments	13/16	303,414	282,017
Other non-current financial assets	14/16	253	250
Investment properties	17	77,602	89,697
Fixed assets		699	568
Right-of-use assets		2,748	—
Intangible assets		17,248	18,147
Goodwill		—	—
Long-term deferred expenses		1,362	766
Deferred income tax assets		—	—
Other non-current assets		—	—
<b>Total non-current assets</b>		<b>406,367</b>	<b>394,716</b>
<b>Total assets</b>		<b>711,611</b>	<b>705,109</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2023

Items	Notes	RMB'000	
		As at 31 December 2023	As at 31 December 2022
<b>Current liabilities:</b>			
Notes payable		15,593	6,086
Accounts payable	15	17,661	11,666
Contract liabilities		13,673	20,912
Employee benefits payable		7,118	8,425
Taxes payable		453	277
Other payables		15,765	25,061
Non-current liabilities due within one year		1,004	—
Other current liabilities		740	1,120
<b>Total current liabilities</b>		<b>72,007</b>	<b>73,547</b>
<b>Non-current liabilities:</b>			
Leased liabilities		1,467	—
Deferred income tax liabilities		3,163	3,901
<b>Total non-current liabilities</b>		<b>4,630</b>	<b>3,901</b>
<b>Total liabilities</b>		<b>76,637</b>	<b>77,448</b>
<b>Shareholders' equity:</b>			
Share capital		197,310	197,310
Capital reserves		934,606	934,606
Other comprehensive income		193,326	171,846
Surplus reserves		130,931	130,931
Undistributed profits		(832,966)	(817,646)
<b>Total equity attributable to shareholders of the Company</b>		<b>623,207</b>	<b>617,047</b>
Non-controlling interest		11,767	10,614
<b>Total shareholders' equity</b>		<b>634,974</b>	<b>627,661</b>
<b>Total liabilities and shareholders' equity</b>		<b>711,611</b>	<b>705,109</b>
<b>Net current assets</b>		<b>233,237</b>	<b>236,846</b>
<b>Total assets less current liabilities</b>		<b>639,604</b>	<b>631,562</b>

## **BASIS OF PREPARATION**

The Group's financial statements for the year ended 31 December 2023 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the People's Republic of China, including adoption of nine revised and new basic and specific standards issued by MOF ("New PRC Accounting Standards") and other relevant regulations issued by MOF ("PRC Accounting Standards") in 2014; applicable disclosure requirements of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in Note V "Significant accounting policies and accounting estimates" of the "Notes to the Financial Statements" of the Group's 2023 annual report.

## **ON A GOING CONCERN BASIS**

The Company is able to continue as a going concern for at least the next 12 months from the end of the Reporting Period, and there is no material event that will affect its ability of on-going operation.

## **STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

The Group's financial statements have been prepared in conformity with the PRC Accounting Standards, and present truly and completely the consolidated financial position as at 31 December 2023 and their consolidated operating results, consolidated cash flows and other relevant information for the year then ended.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. TOTAL OPERATING INCOME, OPERATING COSTS

#### (1) Principal operations — by business

Items	For the year ended 31 December 2023		For the year ended 31 December 2022	
	Operating income	Operating costs	Operating income	Operating costs
Advertising	87,188	72,070	58,116	59,026
Printing	1,009	881	2,802	2,574
Trading of print-related materials	77,659	75,386	88,983	86,121
Other revenue	21,316	19,165	463	141
<b>Total</b>	<b>187,172</b>	<b>167,502</b>	<b>150,364</b>	<b>147,862</b>

(2) For the year ended 31 December 2023, the sum of operating income from the top five customers was RMB58,307 thousand, representing 29.04% of total operating income.

### 2. SEGMENT INFORMATION

The price of intra-segment transactions is determined with reference to market price and classified as follows:

Business segments	Principal activities
Advertising:	Sales of convergence media advertising, event planning, and provision of comprehensive services.
Printing:	Provision of printing services.
Trading of print-related materials:	Sales of paper, ink, lubricant, film, pre-coating photo sensitive liquid plate and rubber plate used for printing and other print-related materials.

(1) For the year ended 31 December 2023

Items	Advertising	Printing	Trading of print-related materials	Unallocated amount	Elimination	Total
Operating income	87,500	4,411	83,799	38,154	(13,080)	200,784
Including: Income from external transactions	87,188	1,009	77,659	34,928	—	200,784
Income from intra-segment transactions	312	3,402	6,140	3,226	(13,080)	—
Total operating costs	115,657	3,879	84,828	39,041	(13,080)	230,325
Provision for impairment	4,158	(50)	(948)	4,585	(287)	7,458
Gains on changes in fair value	—	—	—	4,132	—	4,132
Investment income	—	—	—	14,544	3,040	17,584
Gain on disposal of assets	—	—	—	4	—	4
Other income	—	—	—	68	—	68
Operating profit (loss)	(32,315)	582	(81)	13,276	3,327	(15,211)
Non-operating income and expenses, net	(68)	—	—	254	—	186
Total profit	(32,383)	582	(81)	13,530	3,327	(15,025)
Income tax expenses	—	—	4	(799)	—	(795)
Net profit	(32,383)	582	(85)	14,329	3,327	(14,230)
Total assets	247,162	1,862	35,385	671,917	(244,715)	711,611
Total liabilities	52,117	2,481	47,135	36,226	(61,322)	76,637
Supplementary information						
Depreciation and amortisation expenses	2,010	1	12	752	—	2,775
Capital expenditure	223	1	13	1,752	—	1,962
Impairment of assets	4,158	(50)	(948)	4,585	(287)	7,458
Non-cash expenses excluding depreciation and impairment of assets	—	—	—	—	—	—



**(2) For the year ended 31 December 2022**

Items	Advertising	Printing	Trading of print-related material	Unallocated amount	Elimination	Total
Operating income	58,491	6,807	95,441	10,544	(12,886)	158,397
Including: Income from external transactions	58,116	2,802	88,983	8,496	—	158,397
Income from intra-segment transactions	375	4,005	6,458	2,048	(12,886)	—
Total operating costs	<u>99,522</u>	<u>6,187</u>	<u>96,055</u>	<u>10,971</u>	<u>(12,886)</u>	<u>199,849</u>
Provision for impairment	3,940	(47)	(659)	1,557	—	4,791
Gains on changes in fair value	—	—	—	(5,140)	—	(5,140)
Investment income	—	—	—	42,281	(18,700)	23,581
Gain on disposal of assets	—	—	—	4	—	4
Other income	—	—	—	154	—	154
Operating profit (loss)	<u>(44,971)</u>	<u>667</u>	<u>45</u>	<u>35,315</u>	<u>(18,700)</u>	<u>(27,644)</u>
Non-operating income and expenses, net	(38)	—	2	101	—	65
Total profit	<u>(45,009)</u>	<u>667</u>	<u>47</u>	<u>35,416</u>	<u>(18,700)</u>	<u>(27,579)</u>
Income tax expenses	—	—	4	591	—	595
Net profit	<u>(45,009)</u>	<u>667</u>	<u>43</u>	<u>34,825</u>	<u>(18,700)</u>	<u>(28,174)</u>
Total assets	<u>274,108</u>	<u>2,000</u>	<u>28,040</u>	<u>656,980</u>	<u>(256,019)</u>	<u>705,109</u>
Total liabilities	<u>76,185</u>	<u>2,886</u>	<u>40,473</u>	<u>38,719</u>	<u>(80,815)</u>	<u>77,448</u>
Supplementary information						
Depreciation and amortisation expenses	967	1	13	312	—	1,293
Capital expenditure	860	—	—	70	—	930
Impairment of assets	3,940	(47)	(659)	1,557	—	4,791
Non-cash expenses excluding depreciation and impairment of assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

**3. FINANCIAL EXPENSES**

<b>Items</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
Interest expenses	170	5
Less: Interest income	432	2,965
Exchange loss	19	15
Commissions and other expenses	82	80
	<hr/>	<hr/>
Total	<b>(161)</b>	<b>(2,865)</b>
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**4. GAIN ON INVESTMENT**

<b>Items</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
Share of profit of associates	(230)	(256)
Investment income received from the disposal of financial assets at fair value through profit or loss	(833)	12,406
Investment income received from holding investments in other equity instruments	15,081	11,160
Others	3,566	271
	<hr/>	<hr/>
Total	<b>17,584</b>	<b>23,581</b>
	<hr/> <hr/>	<hr/> <hr/>

**5. NON-OPERATING INCOME**

<b>Item</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
Others	294	123
	<hr/>	<hr/>
Total	<b>294</b>	<b>123</b>
	<hr/> <hr/>	<hr/> <hr/>

**6. NON-OPERATING EXPENSES**

<b>Items</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
Losses on damage or abandonment of non-current assets	92	—
Compensation and late payment charges	16	52
Others	—	6
	<u>          </u>	<u>          </u>
Total	<u>          108</u>	<u>          58</u>

**7. INCOME TAX EXPENSES**

**(1) Income tax expenses**

<b>Items</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
Current income tax expenses	(48)	1,173
Deferred income tax expenses	(747)	(578)
	<u>          </u>	<u>          </u>
Total	<u>          (795)</u>	<u>          595</u>

**(2) Current income tax expenses**

<b>Items</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
Current income tax — PRC	5	2,884
Under-provision in prior years — PRC	(53)	(1,711)
	<u>          </u>	<u>          </u>
Total	<u>          (48)</u>	<u>          1,173</u>

There was no provision for Hong Kong profits tax of the Group during the year, as there was no profit generated from Hong Kong for the Group.

**(3) Reconciliation table of total profit to income tax expenses**

<b>Items</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
<b>Total profit</b>	<u><b>(15,025)</b></u>	<u>(27,579)</u>
Income tax calculated at the applicable tax rate of 25%	<b>(3,756)</b>	(6,895)
Effect of non-taxable income	<b>(3,770)</b>	—
Tax effect of non-deductible expenses	<b>34</b>	72
Tax effect of the Company's losses in current year	<b>8,511</b>	9,249
Tax losses previously unrecognized utilized	<b>(1,761)</b>	(82)
Tax effect of tax relief	<b>—</b>	(38)
Under-provision in prior year	<u><b>(53)</b></u>	<u>(1,711)</u>
<b>Total</b>	<u><u><b>(795)</b></u></u>	<u><u>595</u></u>

*Note:* Pursuant to the Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Cultural Public Institutions into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department (Cai Shui [2019] No. 16) issued by the MoF, State Administration of Taxation and Publicity Department of the Communist Party of China (《財政部稅務總局中央宣傳部關於繼續實施文化體制改革中經營性文化事業單位轉制為企業若干稅收政策的通知》(財稅[2019]16號)), enterprises which completed the transformation prior to 31 December 2018 may continue to be exempted from a five-year enterprise income tax since 1 January 2019.

**8. EARNINGS PER SHARE**

<b>Items</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>
Net profit attributable to shareholders of the Company for the year	<b>(15,320)</b>	(23,500)
Weighted average number of issued ordinary shares (thousand shares)	<u><b>197,310</b></u>	<u>197,310</u>
<b>Basic earnings per share (RMB)</b>	<u><u><b>(0.08)</b></u></u>	<u><u>(0.12)</u></u>

Basic earnings per share and diluted earnings per share during the years ended 31 December 2022 and 2023 were the same, as no diluting events existed for both years.

## 9. DIVIDENDS

- (1) As the distributable profits in 2023 are insufficient to pay dividend, the Board did not propose to declare a final dividend for the year 2023.
- (2) No dividend distribution was confirmed during the period.

## 10. FINANCIAL ASSETS HELD FOR TRADING

<b>Item</b>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Wealth management products	<u>156,523</u>	<u>162,663</u>
Total	<u><u>156,523</u></u>	<u><u>162,663</u></u>

## 11. ACCOUNTS RECEIVABLE

<b>Items</b>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Accounts receivable	397,729	423,247
Less: Provision for bad debts	<u>376,350</u>	<u>405,347</u>
Net accounts receivable	<u>21,379</u>	<u>17,900</u>
For reporting purpose, analysis as:		
Non-current assets — long-term receivables	—	—
Current assets — accounts receivable	<u>21,379</u>	<u>17,900</u>
Total	<u><u>21,379</u></u>	<u><u>17,900</u></u>

The following is an aging analysis of accounts receivable presented based on the invoice date (net of provision for bad debts):

<b>Items</b>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
0–90 days	11,722	7,055
91–180 days	3,108	1,672
181–365 days	2,277	2,014
1–2 years	1,378	2,539
Over 2 years	<u>2,894</u>	<u>4,620</u>
Total	<u><u>21,379</u></u>	<u><u>17,900</u></u>

## 12. OTHER RECEIVABLES

Items	As at 31 December 2023	As at 31 December 2022
Interests receivable	—	—
Dividends receivable	9,416	11,104
Other receivables	207,965	203,481
Less: Provision for bad debts	<u>201,510</u>	<u>202,785</u>
Net other receivables	<u><u>15,871</u></u>	<u><u>11,800</u></u>

## 13. INVESTMENT IN OTHER EQUITY INSTRUMENTS

### (1) Investment in other equity instruments

Items	Investment cost	As at 31 December 2023	As at 31 December 2022
Beijing Keyin Media and Culture Co., Ltd.	6,560	37,120	35,874
Beiyang Publishing & Media Co., Ltd.	103,000	242,369	222,256
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	500	3,323	3,284
Beijing International Advertising & Communication Group Co., Ltd.	<u>33,119</u>	<u>20,602</u>	<u>20,603</u>
Total		<u><u>303,414</u></u>	<u><u>282,017</u></u>

### (2) Investment in other equity instruments is analyzed as follows:

Type	As at 31 December 2023	As at 31 December 2022
Unlisted equity investments, China	<u>303,414</u>	<u>282,017</u>
Total	<u><u>303,414</u></u>	<u><u>282,017</u></u>

#### 14. OTHER NON-CURRENT FINANCIAL ASSETS

Item	As at 31 December 2023	As at 31 December 2022
Suzhou Huaying Culture Industry Investment Enterprise (Limited Partnership)	<u>253</u>	<u>250</u>
Total	<u><u>253</u></u>	<u><u>250</u></u>

#### 15. ACCOUNTS PAYABLE

As at 31 December 2023, the aging analysis of accounts payable based on the invoice date is as follows:

Items	As at 31 December 2023	As at 31 December 2022
0–90 days	16,285	7,891
91–180 days	70	47
181–365 days	58	322
Over one year	<u>1,248</u>	<u>3,406</u>
Total	<u><u>17,661</u></u>	<u><u>11,666</u></u>

#### 16. INTERESTS IN OTHER ENTITIES

##### A. Equity in investment in other equity instruments

##### (1) Basic information of relevant companies in relation to investment in other equity instruments:

Company name	Place of registration	Principal place of operation	Business nature	Shareholding (%)	Fair value as at 31 December 2023	Proportion of total assets (%)
Beiyang Publishing & Media Co., Ltd.	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Production, printing, publishing and distribution of books, newspapers and magazines	2.43	242,369	34.06
Beijing Keyin Media and Culture Co., Ltd.	Beijing	Beijing	Organizing exchange activities on culture and art, and design, production and provision of agency service of advertisements	16	37,120	5.22
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	Beijing	Beijing	Internet information service	5.00	3,323	0.47
Beijing International Advertising & Communication Group Co., Ltd.	Beijing	Beijing	Design, production and provision of agency service of advertisements	11.44	20,602	2.90

**(2) The investment strategies of major investments in respect of investment in other equity instruments:**

Beiyang Publishing & Media Co., Ltd. (hereinafter referred to as “Beiyang Media”) is mainly engaged in the production, printing, publishing and distribution of books, newspapers and magazines. It is the main platform for Hebei Publishing & Media Group Co., Ltd. to perform transformation into corporate and capitalized operations. Currently, the Company holds 43,706,423 shares of Beiyang Media, representing 2.43% of the aggregate share capital of Beiyang Media. The Company’s investment in Beiyang Media is mainly based on: 1) Beiyang Media’s good operating condition; 2) its capital operation plan, such as its share reform and listing, in order to obtain a better investment return. Upon the Company’s investment, Beiyang Media has been operating well in recent years and has been profitable, and has achieved steady growth in assets and revenue. The Group is optimistic about the future operation of Beiyang Media and is prepared to continue to hold it for a long term.

Beijing Keyin Media and Culture Co., Ltd. (hereinafter referred to as “Keyin Media”) is mainly engaged in organizing exchange activities on culture and art, and design, production and provision of agency service of advertisements, etc. Currently, the Company holds 4,000,000 shares of Keyin Media, representing 16% of the aggregate share capital of Keyin Media. The Company’s investment in Keyin Media is mainly based on its good operating conditions and listing plans. Upon the Company’s investment, Keyin Media has been operating well in recent years and has been profitable. The Group is optimistic about the future operation of Keyin Media and is prepared to continue to hold it for a long term.

**B. Equity in other non-current financial assets**

**Basic information of relevant companies in relation to other non-current financial assets:**

Company name	Place of registration	Principal place of operation	Business nature	Shareholding (%)	Fair value as at 31 December 2023	Proportion of total assets (%)
Suzhou Huaying Culture Industry Investment Enterprise (Limited Partnership)	Suzhou, Jiangsu	Suzhou, Jiangsu	Investment management	2.61	253	0.04

**C. Equity in financial assets held for trading**

**(1) Basic information of financial assets held for trading**

Name of counterparty	Types of products	Investment cost as at 31 December 2023	Unrealised gains and losses for the year ended 31 December 2023	Changes in fair value for the year ended 31 December 2023	Fair value as at 31 December 2023	Proportion to total assets (%)
Capital Securities	Fixed-income wealth management products	145,812	10,711	10,711	156,523	22

**(2) Investment strategies for financial assets held for trading**

The Company has achieved good returns through a single asset management contract, and the Company has established a good cooperative relationship with Capital Securities in this process, and the Company will continue to entrust Capital Securities to manage the Company’s idle funds for the Company without affecting the daily operating liquidity and being authorized by the shareholders’ meeting.



## 17. INVESTMENT PROPERTIES

### Investment properties measured at fair value

Items	Buildings	Total
1. As at 1 January 2023	89,697	89,697
2. Changes during the period		
Add: Changes in fair value	(5,598)	(5,598)
Less: Disposal	6,497	6,497
3. As at 31 December 2023	<u>77,602</u>	<u>77,602</u>

The fair value of the Group's investment properties as at 31 December 2023 have been arrived at by reference to recent market prices for similar properties in the same locations and conditions.

As at 31 December 2023, the carrying value of the investment properties for which the Group had not been granted formal title amounted to approximately RMB4,279 thousand (2022: RMB3,418 thousand). In the opinion of the directors of the Company, the absence of formal title to these properties does not impair the value of the relevant properties to the Group. The directors of the Company also believe that formal title to these properties will be granted to the Group in due course.

During the year, the rental income generated from investment properties is RMB2,142 thousand (2022: RMB1,662 thousand).

As at 31 December 2023, the title of the Group's two properties located outside of China has been changed.

## MANAGEMENT DISCUSSION AND ANALYSIS

### GROUP BUSINESS REVIEW

The Group is principally engaged in three core businesses: (1) advertising business, which comprises the sales of convergence media advertising, event planning, and provision of comprehensive services; (2) printing, whose turnover includes revenue from printing publications arranged by BYD Logistics; and (3) trading of print-related materials, which involves the supply and trading of, among others, newsprint, ink, lubricants, films, presensitised plate and rubber sheet to customers including commercial printers.

The year 2023 marks a post-pandemic recovery period for Chinese economy, where long-term fundamentals were stable and picking up, and the pulling effect of domestic demand continued to strengthen. From the market perspective, the consumption demand for advertising was also gradually released, and the advertising industry was recovering with both opportunities and challenges along with new changes in the industry due to the development of science and technology.

In the face of market changes and challenges, the Group, upholding the strategic positioning of “stabilising growth, adjusting structure, reversing losses and improving quality”, actively promoted business transformation and improved its operating ecosystem through resource integration and industrial synergy and other initiatives:

#### **I. Strengthening and reinforcing the foundations for a solid management base**

The Company improved the state-owned assets management system, strengthened internal control and risk management, and revised 27 procedures throughout the year. Besides, the Company has conducted the reform on the remuneration system, improved the performance appraisal, and continued to optimise talent structure to improve quality and efficiency; built the Company’s CRM customer management system to realise the lean management of advertising business processes; and enhance business synergy and consolidate its operational foundation.

#### **II. Enhancing capacity to build a diversified industrial development pattern**

Firstly, the Company completed the outdoor advertising layout. In December 2023, the Company entered into the “Exclusive Concession Rights Agreement for Advertising Publication of Major Advertising Resources of Beijing Metro Line 4 and Daxing Line” (《北京地鐵四號線、大興線主要廣告資源廣告發佈獨家代理經營協議》) and the “Exclusive Concession Rights Agreement for Advertising Publication of Major Advertising Resources of the Northern Section of Beijing Metro Line 17” (《北京地鐵十七號線北段主要廣告資源廣告發佈獨家代理經營協議》) with Beijing MTR and Beijing MTR17 (a wholly-owned subsidiary of Beijing MTR) respectively, whereby the Company was granted an exclusive right to use and operate major advertising resources of Beijing Metro Line 4 and Daxing Line, and the northern

section of Beijing Metro Line 17, respectively. At the same time, the Company attained the exclusive concession rights to certain outdoor resources in Yintai-Guomao Metro Exit C, making initial results in business transformation.

Secondly, through its subsidiary, Beiqing Community Media, the Company focused on business of new media operation and maintenance to provide comprehensive services to government and corporate clients. Rooted in the community, the Company has given full play to the advantages of grassroots media, constructed a media communication matrix of “one newspaper, multiple channels and all platforms (一報多端全平台)”, and created the parallel brands of “Beiqing Community Newspaper (北青社區報)” and “Beiqing Community HUI (北青社區HUI)”, customised personalised marketing activities and actively explored community cultural space operation.

Thirdly, through its subsidiary, Beijing Beiqing Innovative Cultural, the Company focused on youth quality education, provided diversified science popularization study, camp education practice and other characteristic services for teenagers. The Company currently owns many outdoor camps resources in Huairou district, Shunyi district and Miyun district, etc. and researched and developed a total of 110 customised products in 9 categories, including ToC, ToB, resources of scientific research institutes, public welfare, international and camps, etc., and created four study brands, namely, “Qingxing (青行)”, “Qingxue (青學)”, “Qingshi (青識)”, and “Qingying (青營)”, to explore the core competitiveness through test camp business management and camp education course content output.

Fourthly, the Company has created IPs for cultural and sports activities, and successfully organized the “2023 FILA KIDS Diamond Cup Junior Tennis Challenger (Chongqing)”, forming a replicable tournament model. It deeply explored the IP potential of the “Ride on the Earth” brand and successfully organised the “2nd Beijing Ride for the Youth of Taiwanese Compatriots in Beijing (第二屆在京台胞青年騎樂北京)” public welfare cycling series, planned the “2024 Beijing-Zhang Jiakou All-Season Sports and Tourism Carnival (2024京張全季體育旅遊嘉年華)”, and actively promoted the landing of existing IPs and the incubation of new cycling brand IPs through activity planning, so as to promote commercial realisation.

### **III. Revitalizing the assets to continuously increase investment income**

In 2023, Capital Securities Co., Ltd. was entrusted to manage idle funds for the Company through the Single Asset Management Scheme Contract, achieving a gain on the changes in fair value of RMB8,895 thousand with an annualised return rate of 5.36% (with deduction of performance fee), so as to continuously and effectively utilize idle funds and realize value preservation and enhancement under controllable risks. The Company also obtained rental income of RMB6,747 thousand by leasing out the Company's idle office buildings and barter properties, and recorded a sales revenue of RMB128 thousand by accelerating the sales and disposal of commodities for replacement of advertising to relieve inventory management pressure.

### **IV. Eliminating hazards to concentrate on addressing the previous issues**

We adopted targeted policies and actively promoted the disposal of inferior enterprises, achieving the liquidation and withdrawal of 3 enterprises for the whole year; we sorted out and accelerated the progress of recovery of historical accounts receivables of the Company, and actively pushed forward the enforcement of the successful cases; we strengthened the rule of law, gradually cleaned up the existing legal backlogs, and perfected the management system of legal affairs.

The Group's total operating income for 2023 was RMB200,784 thousand (2022: RMB158,397 thousand), representing an increase of 26.76% as compared with the corresponding period in 2022. The increase in total operating income was mainly attributable to (1) the fact that Beijing Community Media, a subsidiary of the Company, achieved an operating income of RMB55,441 thousand (2022: RMB28,782 thousand) in 2023, representing an increase of 92.62% as compared with the corresponding period in 2022 through the expansion of its convergence media publicity and comprehensive services business; (2) Beijing Innovation Cultural, a subsidiary of the Company, taking the opportunity from market recovery after the COVID-19 pandemic, steadily promoted the youth study business, and recorded an operating income of RMB20,826 thousand (2022: RMB3,850 thousand), representing an increase of 440.94% as compared with the corresponding period in 2022.

Operating costs of the Group for 2023 were RMB171,661 thousand (2022: RMB150,916 thousand), representing an increase of 13.75% as compared with those for the corresponding period of 2022. Net loss attributable to shareholders of the Company for 2023 was RMB15,320 thousand (2022: net loss attributable to shareholders of the Company of RMB23,500 thousand), representing a decrease of 34.81% in loss as compared with those for the corresponding period of 2022. The Group continued to achieve loss reduction thanks to: (1) an increase in total operating income of RMB42,387 thousand; (2) the effective utilisation of idle funds by the Company, which achieved a gain on the changes in fair value of RMB8,895 thousand through the asset management business of the single asset management scheme; and (3) turnaround from loss to profit of Beijing Community Media, a subsidiary of the Company, whose net profit in 2023 was RMB4,060 thousand.

## **Advertising Business**

In 2023, the recovery of the advertising market fell short of expectations, and traditional media continued to be impacted by new media. Despite the severe situation, the Company, based on the development direction of convergence media, gave full play to the advantages of media content production, tapped into the personalised needs of customers, accelerated the upgrading of its advertising products and capabilities, and increased its revenue. Revenue from advertising business of the Group for 2023 was RMB87,188 thousand (RMB58,116 thousand for the corresponding period in 2022), representing an increase of 50.02% as compared with that for the corresponding period in 2022. Revenue from the automobile, real estate and education sectors of the Company's advertising center increased, while revenue from advertising business of the Company's subsidiary, Beijing Community Media, increased by RMB26,658 thousand as compared with that for the corresponding period in 2022.

In 2023, the Company accelerated the digital transformation of the media and the upgrading of resources, focused on the multi-dimensional construction of management, services, products and channels, and put in place the following four measures in advertising operation with its own resource endowment:

### ***1. Empowering management to promote the transformation of advertising business***

Firstly, based on the needs for business development, the Group optimised the organizational structure of the advertising center by abolishing the education business division and the general business division, and establishing the business development division, the outdoor sales division and the outdoor operation division; adjusting the business management team, introducing market-oriented talents, matching with the performance incentives, focusing on the key industries and fields, and actively expanding the advertising channels. Secondly, the Group launched CRM system to standardize the processes of business modules such as customer management, sales management and product management to effectively enhance internal control and management efficiency. Thirdly, the Group carried out the monitoring of advertising publication on multimedia platforms to provide data analysis and information support, and strengthened technological innovation to explore new business growth points.

### ***2. Developing a full-project agency marketing model to enhance service effectiveness***

The Group conducted full-project agency business to enhance the marketing services and project execution capabilities of its advertising center team, and gradually weakened the business's in-depth reliance on media resources. The real estate business division created online plus offline integrated full-project communication planning for the "Heyuan Starry (和園繁星)" Project of Beijing Capital City Development Group Co., Ltd (首創城發集團), providing full-process services for media releases, video shooting, and event planning and execution. The finance business division has deeply dug into the customer needs of Beijing Branch of Postal Savings Bank of China, made use of the community's advantageous resources, and

through an convergence media matrix publicity, tailored a series of full-project planning scheme for the customer’s “Qingxiaoyou (青小郵)” community volunteer service team to achieve in-depth cooperation.

### ***3. Focusing on digital transformation to accelerate the development of we-media product***

In response to the market trend of increasing demand for digital media advertisements, we focused on content planning, enhanced our short video production capabilities, accelerated the construction of self-operated new media products, and created short-video we-media accounts of “青Auto Talk (青車談)”, “青TIME” etc. series on new media platforms such as WeChat, TikTok (抖音) and Little Red Book (小紅書), to enhance the stickiness of existing clients and realize monetization. Among them, we customized the “New Beijing Peninsula Tide Life Festival (新北京半島潮燃生活節)” TikTok (抖音) Challenge for our clients, which lasted for 20 days, with a topic broadcast volume of 1.57 billion, 175,000 likes and over 6,000 comments.

### ***4. Upgrading resources by expanding outdoor advertising channels***

Based on the research and judgment of the advertising market, we have precisely developed outdoor advertising resources, and successfully obtained the exclusive concession rights to publish advertising resources on Beijing Metro Line 4 and Daxing Line, the northern section of Beijing Metro Line 17, as well as the exclusive agency rights to outdoor resources of Yintai-Guomao Metro Exit C, so as to build up a richer product matrix, effectively broaden the types of customers, and cultivate a new growth point of revenues.

The above measures can help achieve the gradual transformation of the Group’s key business from traditional media to new media, mobile Internet businesses and outdoor advertising business, which would efficiently improve the Group’s market competitiveness and drive the overall growth of our advertising performance.

## **Results of Major Subsidiaries of the Group**

BYD Logistics is a 92.84%-owned subsidiary of the Company and is principally engaged in the businesses of printing and trading of printing-related materials. In 2023, in terms of the printing business, BYD Logistics maintained stable operations, and ensured the supply of self-used paper for “Beijing Youth Daily” as well as the printing and publishing during major reporting periods such as the Spring Festival, National Two Sessions and Hangzhou Asian Games, and successfully completed the printing of special issue of Beijing Examination News (《北京考試報》) for the middle school entrance examination and college entrance examination, demonstrating its social responsibility. In terms of printing-related materials trading business, BYD Logistics strives to reduce cost and improve efficiency, takes a deep dive into the demands of existing high-quality customers on the basis of strict control of operational risks, continuously explores the cultural paper market, with a focus on expanding the trading business of books and

textbook papers, and has become the paper supplier of two central-level publishers. In 2023, the net profit of BYD Logistics was RMB1,024 thousand, representing an increase of 20.58% as compared with that for the corresponding period of 2022.

Beiqing Community Media is a 57.952%-owned subsidiary of the Company. Beiqing Community Media has transformed from original traditional media newspaper business model to a government-affiliated convergence media service business model, digging deeper into the needs of government and enterprises customers and improving its activity planning and organising capabilities to build information dissemination platform and service platform for customers through the organic combination of online operation and maintenance with offline activities. Beiqing Community Media's intensive cultivation of community media business has been highly recognized by community residents, government agencies at all levels and cooperative businesses, which has greatly increased its influence. Up to now, Beiqing Community Media has 11 branches, including Shunyi, Sub-city Centre, Chaoyang, Daxing, Changping, Dongcheng and Xicheng, etc. and has published newspapers of "Beijing Community Daily" across the whole urban area of Beijing. In addition to newspapers, the branches and the operating departments of Beiqing Community Media operate a total of nearly 50 new media accounts on various media platforms such as WeChat, TikTok (抖音), Kuaishou (快手) and Today Headlines (今日頭條), and distributed news products on these new media platforms, forming a strong publicity matrix, and presenting good performance in the coverage and spread of convergence media publicity.

In 2023, Beiqing Community Media actively optimised its business structure, continued to improve its management and explored new business operation modes. First, it integrated the media publicity matrix of "one newspaper, multiple channels and all platforms" to create the dual brands of "Beijing Community Daily (北青社區報)" and "Beiqing Community HUI (北青社區HUI)", built video columns such as "Xiaoqing New Discoveries (小青新發現)" and "Travelling to Beijing (周遊北京)", and planned for a series of thematic videos on community elderly care, cycling during holidays, new national tide products and consumption season of state-owned enterprises, so as to drive the traffic with high-quality content and effectively enhance the media's publicity and service capacity. Second, focusing on government services, cooperation of social organization procurement, and corporate and product publicity needs, the Company undertook comprehensive services such as publicity, promotion, operation, development and maintenance, and increased revenue by expanding business channels, developing new customers, and strengthening resource integration and business synergies. The Company provided WeChat official account operation, video shooting, publicity and offline activity planning services for Beijing Agriculture Guaranty Co., Ltd., and new media account operation services for Outlets CO fashion brand for Beijing Capital Grand Limited. Third, the Company actively created activity IPs, expanded the demand for activity services from government agencies and social groups, and effectively increased the contracted amount. The Company also established the "Beiqing Community Newspaper Volunteer Team", developed more than 100 registered volunteers, and carried out more

than 20 volunteer activities throughout the year to practice public welfare and establish a good corporate image; at the same time, it promoted marketing through customised volunteer service activities, and established the “Qingxiaoyou (青小郵)” community reporter volunteer group for Beijing branch of Postal Savings Bank of China, to facilitate finance services in communities through a series of campaigns. Fourthly, we tapped to the operation of community cultural spaces, and actively developed projects for the renovation and operation of public spaces in residential communities adopting the mature model of the community space operation of “Guoxue Shuxiang Station (國學書香驛站)” in Shunyi District of Beijing, piloting operation of commercial customer spaces. In 2023, the operating revenue of Beiqing Community Media was RMB55,441 thousand, representing an increase of 91.49% compared with that for the same period in 2022, and it achieved a turnaround from loss to profit with a net profit of RMB4,060 thousand.

Beiqing Innovation Cultural, a wholly-owned subsidiary of the Company, was established in April 2022, and principally engages in youth cultural activities and camping education. In 2023, Beiqing Innovation Cultural steadily promoted the youth study activities and camp business taking the opportunity from market recovery after the COVID-19 pandemic, and achieved operating revenue of RMB20,826 thousand, representing an increase of 440.97% as compared to the corresponding period in 2022. In the youth study business, Beiqing Innovation Cultural focused on customer channel building and core product development to actively build its core competitiveness. First, it actively expanded multi-channel resources of major customers such as the Beijing Normal University Education Group and the China Youth Development Foundation, and received a total of nearly 8,000 study group camps throughout the year. Second, it based on the needs of customers across the country, researched and developed a total of 110 customised products in 9 major categories, including ToC, ToB, resources of scientific research institutes, public welfare, international, and camps, focusing on the majority of the popular destinations in the country as well as some of the international itineraries, with the study routes covering more than 10 cities, including Beijing, Xi’an, Qingdao, Luoyang, Dunhuang, Wenchang, etc., and the contents of the courses cover a wide range of topics such as history and culture, patriotism, science and technology, and so on. In addition, according to the type of products, the Company has designed and created four study tours, namely “Qingxing (青行)”, “Qingxue (青學)”, “Qingshi (青識)”, and “Qingying (青營)”, to actively enhance the influence of its brand. In the camp business, we continued to explore replicable projects, promoted camp business management and camp education course content output, and completed the curriculum development of environmentally friendly themed products to effectively improve the quality of service and customer acquisition capacity.



## **Prospects and Future Plans**

In 2024, macro-economic policies are expected to be loose while maintaining stable, driving gradual recovery of consumption, and the market environment underpinning the Group's businesses is expected to continue to improve. The Group will, anchoring on the strategy of "Advance, Retreat, Conserve and Trial" and focusing on business transformation, enhance resource integration and allocation, comprehensively optimise the revenue structure and cultivate new momentum for corporate growth.

In 2024, the Group will actively promote the layout of outdoor advertising, build a diversified matrix of advertising products, explore to integrate technology and business innovation, and enhance its own capabilities in order to meet the diversified needs of its customers and to gain more market share while consolidating its strengths in traditional advertising business.

In 2024, the Group will continue to play the functions of the market-oriented expansion platform for the cultural and sports industry of the Capital Group and the integration and cultivation platform for the high-quality business of Beiqing Newspaper, and build a composite industrial chain through resource synergy and hosting integration by leveraging on the platform advantages of a listed company. This includes innovating its own cycling IP operation and maintenance and activity planning to empower its brands; exploring new modes of operation of community cultural spaces by leveraging the content advantages of community media; striking roots into the youth study channels, strengthening product research and development, and building a special study brand of a state-owned enterprise; and expanding the resources in the fields of cultural innovation as well as science and technology, seeking opportunities for industrial cooperation, and carrying out capital operation in due course.

In 2024, the Group will comprehensively strengthen corporate governance, focus on the construction of the three major systems of policy, organisation and talent, improve internal control and risk management system, accelerate the clearance of inefficient assets, and construct new potential energy for corporate development by enhancing quality and efficiency.

In 2024, the Group will, based on consolidating existing businesses, grasp the opportunities arising from industry reform and the revival of social economy to create new opportunities in crisis and open a new chapter in a changing situation by trying valiantly and exploring actively, and determine to become a leading media conglomerate with cross-media market expansion capabilities in China.

## FINANCIAL POSITION AND OPERATIONAL RESULTS

### 1. Total Operating Income

Total operating income of the Group for 2023 was RMB200,784 thousand (2022: RMB158,397 thousand), representing an increase of 26.76% as compared to that in 2022, of which, revenue from advertising was RMB87,188 thousand (2022: RMB58,116 thousand), representing an increase of 50.02% as compared to that in 2022; revenue from printing was RMB1,009 thousand (2022: RMB2,802 thousand), representing a decrease of 63.99% as compared to that in 2022; and revenue from trading of print-related materials was RMB77,659 thousand (2022: RMB88,983 thousand), representing a decrease of 12.73% as compared to that in 2022.

### 2. Operating Cost and Tax and Surcharges

Operating cost of the Group for 2023 was RMB171,661 thousand (2022: RMB150,916 thousand), representing an increase of 13.75% as compared to that in 2022, of which, advertising cost was RMB72,070 thousand (2022: RMB59,026 thousand), representing an increase of 22.10% as compared to that in 2022; printing cost was RMB881 thousand (2022: RMB2,574 thousand), representing a decrease of 65.77% as compared to that in 2022; and cost of trading in print-related materials was RMB75,386 thousand (2022: RMB86,121 thousand), representing a decrease of 12.47% as compared to that in 2022. Tax and surcharges were RMB2,169 thousand (2022: RMB2,322 thousand), representing a decrease of 6.59% as compared to that in 2022.

### 3. Gross Profit

Gross profit of the Group for 2023 was RMB29,123 thousand (2022: RMB7,481 thousand), representing an increase of 289.29% as compared to that in 2022; gross profit margin of the Group for 2023 was 14.5% (2022: 4.72%).

### 4. Selling Expenses

Selling expenses of the Group for 2023 was RMB16,980 thousand (2022: RMB19,391 thousand), representing a decrease of 12.43% as compared to that in 2022.

### 5. Administrative Expenses

Administrative expenses of the Group for 2023 was RMB39,676 thousand (2022: RMB30,085 thousand), representing an increase of 31.88% as compared to that in 2022.

## **6. Financial Expenses**

Financial expenses of the Group for 2023 was RMB-161 thousand (2022: RMB-2,865 thousand), representing a decrease of 94.38% in absolute value as compared to that in 2022, in particular, interest income was RMB432 thousand (2022: RMB2,965 thousand), representing a decrease of 85.43% as compared to that in 2022; and foreign exchange loss was RMB19 thousand (2022: RMB15 thousand), representing an increase of 26.67% as compared to that in 2022.

## **7. Share of Gains of Associates**

Share of gains of associates of the Group for 2023 was RMB-230 thousand (2022: gain of RMB-256 thousand), representing a decrease of RMB26 thousand in loss as compared to that in 2022.

## **8. Operating Profit**

Operating profit of the Group for 2023 was RMB-15,211 thousand (2022: RMB-27,644 thousand), representing a decrease of 44.98% in loss as compared to that in 2022.

## **9. Income Tax Expenses**

Income tax expenses of the Group for 2023 was RMB-795 thousand (2022: RMB595 thousand), representing a decrease of RMB1,390 thousand or 233.61% as compared to that in 2022. Pursuant to the “Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Cultural Public Institutions into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department” (Cai Shui [2019] No. 16), the enterprises that have completed the structure reform before 31 December 2018 can continue to enjoy the five-year Enterprise Income Tax (EIT) exemption starting from 1 January 2019.

## **10. Net Profit/Loss and Net Profit/Loss Attributable to Shareholders of the Company**

Net loss of the Group for 2023 was RMB14,230 thousand (2022: net loss of RMB28,174 thousand), of which, net loss attributable to Shareholders of the Company was RMB15,320 thousand (2022: net loss attributable to Shareholders of the Company of RMB23,500 thousand).

## **11. Final Dividend**

The Board did not recommend the distribution of the final dividend for the year 2023 (2022: Nil).

## 12. Net Current Assets

As at 31 December 2023, net current assets of the Group was RMB233,237 thousand (31 December 2022: RMB236,846 thousand). Current assets mainly comprised bank balances and cash of RMB76,285 thousand (31 December 2022: RMB82,948 thousand), financial assets available for sale of RMB156,523 thousand (31 December 2022: RMB162,663 thousand), notes receivable of RMB151 thousand (31 December 2022: RMB382 thousand), accounts receivable of RMB21,379 thousand (31 December 2022: RMB17,900 thousand), prepayments of RMB3,854 thousand (31 December 2022: RMB2,496 thousand), other receivables of RMB15,871 thousand (31 December 2022: RMB11,800 thousand), inventories of RMB4,002 thousand (31 December 2022: RMB4,853 thousand), and other current assets of RMB27,179 thousand (31 December 2022: RMB27,351 thousand). Current liabilities mainly comprised notes payable of RMB15,593 thousand (31 December 2022: RMB6,086 thousand), accounts payable of RMB17,661 thousand (31 December 2022: RMB11,666 thousand), contractual liabilities of RMB13,673 thousand (31 December 2022: RMB20,912 thousand), employee benefit payables of RMB7,118 thousand (31 December 2022: RMB8,425 thousand), tax payables of RMB453 thousand (31 December 2022: RMB277 thousand), other payables of RMB15,765 thousand (31 December 2022: RMB25,061 thousand), non-current liabilities due within one year of RMB1,004 thousand (31 December 2022: Nil), and other current liabilities of RMB740 thousand (31 December 2022: RMB1,120 thousand).

## FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2023, current assets of the Group was RMB305,244 thousand (31 December 2022: RMB310,393 thousand), including bank balances and cash of RMB76,285 thousand (31 December 2022: RMB82,948 thousand) and non-current assets of the Group was RMB406,367 thousand (31 December 2022: RMB394,716 thousand).

As at 31 December 2023, current liabilities of the Group was RMB72,007 thousand (31 December 2022: RMB73,547 thousand); and non-current liabilities was RMB4,630 thousand (31 December 2022: RMB3,901 thousand).

As at 31 December 2023, Shareholders' equity of the Group was RMB634,974 thousand (31 December 2022: RMB627,661 thousand).

## GEARING RATIO

As at 31 December 2023, gearing ratio of the Group was 12.07% (31 December 2022: 12.34%) (which is calculated by dividing the Group's total liabilities by its total equity).

## BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2023, bank loans, overdrafts and other borrowings of the Group was Nil (31 December 2022: Nil). Most of the cash and cash equivalent held by the Group was denominated in Renminbi.

## FINANCING COST

Financing cost of the Group for 2023 was RMB170 thousand (2022: RMB5 thousand).

## FIVE-YEAR RESULTS HIGHLIGHTS

	For the year ended 31 December				
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Total operating income	<b>200,784</b>	158,397	187,552	217,291	219,927
Net profit	<b>(14,230)</b>	(28,174)	(67,192)	(136,356)	(214,511)
Net profit attributable to Shareholders of the Company	<b>(15,320)</b>	(23,500)	(64,159)	(130,176)	(196,538)
Earnings per share — basic and diluted ( <i>RMB</i> )	<b>(0.08)</b>	(0.12)	(0.33)	(0.66)	(0.99)
	As at 31 December				
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
Total assets	<b>711,611</b>	705,109	727,560	745,447	895,445
Total liabilities	<b>76,637</b>	77,448	82,002	96,951	100,448
Total equity attributable to Shareholders of the Company	<b>623,207</b>	617,047	628,627	628,509	768,760
Shareholders' equity per share as at the end of the year ( <i>RMB</i> )	<b>3.16</b>	3.13	3.19	3.19	3.90

## SHARE STRUCTURE (AS AT 31 DECEMBER 2023)

	Number of shares	Proportion to total share capital (%)
<b>Holder of Domestic Shares</b>		
— BYDA	124,839,974	63.27
— Beijing Chengshang Cultural Communication Co., Ltd.	7,367,000	3.73
— China Telecommunication Broadcast Satellite Co., Ltd.	4,263,117	2.16
— Beijing Development Area Ltd.	2,986,109	1.52
— Sino Television Co., Ltd.	2,952,800	1.50
	<hr/>	<hr/>
Domestic Shares ( <i>subtotal</i> )	142,409,000	72.18
H Shares <sup>Note</sup>	54,901,000	27.82
	<hr/>	<hr/>
<b>Total share capital</b>	<u>197,310,000</u>	<u>100.00</u>

*Note:*

Including 19,533,000 H Shares, representing 9.90% of the total share capital of the Company, which are held by Leshi Internet Information & Technology Corp., Beijing.

## CAPITAL EXPENDITURE

Capital expenditure of the Group for 2023 was RMB1,962 thousand (2022: RMB930 thousand). Capital expenditure of the Group for 2023 mainly comprises the expenditures consistent with business strategies including expenditures on office equipment and intangible assets.

## CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2023, the Group did not have any contingent liabilities or any pledge of assets.

## MATERIAL INVESTMENTS

The Company entered into the single asset management contract with Capital Securities and the Beijing Branch of Bank of Communications Co., Ltd. on 19 April 2022, pursuant to which, the Company entrusted Capital Securities to provide asset management and investment services, with a term of one year from the date of approval by the independent shareholders at the AGM (i.e. 17 June 2022). The above single asset management scheme has been approved by the shareholders of the Company to make certain optimization adjustments and extend the term for another three years to 16 June 2026. As at 31 December 2023, the Company's investments in the above asset

management accounted for more than 5% of the Group's total assets. Please refer to Note 10. headed "Financial assets held for trading" and 16.C. "Equity in financial assets held for trading" to the financial statements of this announcement for details. For details of the above transaction, please refer to the announcements of the Company dated 19 April 2022 and 25 April 2023 and the circulars of the Company dated 26 May 2022 and 25 May 2023.

As at 31 December 2023, the Company's investments in Beiyang Publishing & Media Co., Ltd. and Beijing Keyin Media Culture Co., Ltd. account for over 5% of the Group's total assets. For details of such significant investments, please refer to Note 13. headed "Investment in other equity instruments" and Note 16.A. headed "Equity in investment in other equity instruments" to the financial statements of this announcement.

Save as disclosed in this announcement, as of 31 December 2023, the Group had no material investments or any plan related to material investment or acquisition of assets.

## **MATERIAL ACQUISITION AND DISPOSAL OF ASSETS**

On 11 December 2023, the Company entered into the exclusive concession rights agreements with Beijing MTR and its wholly owned subsidiary, Beijing MTR17, pursuant to which the Company was granted the exclusive rights to use and operate the major advertising resources in Beijing Metro Line 4 and Daxing Line and the northern section of Beijing Metro Line 17, for a period of two years commencing from 1 January 2024 and ending on 31 December 2025. In terms of the above arrangements, the Company shall pay concession fees to Beijing MTR and Beijing MTR17 on the basis of "guarantee fees + extra revenue commission fees"; among which, for the guarantee fees, the guaranteed fees for the first operating year of exclusive concession for the Beijing Metro Line 4, Daxing Line and the northern section of Beijing Metro Line 17 are RMB18.63 million, RMB4.70 million and RMB3.67 million, respectively, with an annual increment of 2%; and extra revenue commission fees will be calculated based on the actual advertising revenue and on a stepwise basis according to the relevant formula. The above transaction enables the Group to enrich its outdoor advertising business, take advantage of its main business of convergence media advertising sales and the major advertising resources of the relevant metro lines, so as to increase its operating income and generate better returns to Shareholders. For details of the above transaction, please refer to the announcement dated 11 December 2023 and circular dated 14 December 2023 of the Company.

During the Reporting Period, the Group had no material acquisition or disposal of subsidiaries, joint ventures, associates, etc.

## **FOREIGN EXCHANGE RISKS**

Renminbi is the functional currency of the Group. The Group's operations in the PRC are mainly settled in Renminbi. However, certain payables are settled in foreign currency (mainly USD and HKD). Therefore, the Group is exposed to fluctuations in foreign exchange rate to a certain extent. Operating cash flow or liquidity of the Group is subject to very limited effect from exchange rate fluctuations.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Group has always upheld the philosophy of placing equal emphasis on development and environmental protection. During its day-to-day operation, the Group reasonably utilises resources in strict compliance with the relevant laws, regulations, standards and other local rules. It has formulated and implemented the relevant internal rules and strives to minimise its impacts on the ecological environment from production and operation in terms of resource utilization and other aspects. During the Reporting Period, the Group organised several public benefit events relating to protection of natural environment. In the meantime, the Group is committed to maintaining and consolidating a healthy operation environment so that it can realise steady and orderly growth. The Group also tries its best to improve the working environment for its employees, advocates a philosophy of green office and green production and strives to create a safe, healthy, ideal and protected working environment for all employees. During the Reporting Period, the Group placed advertisements in the theme of public welfare over long period of time so as to promote the concept of environmental protection.

## **RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS**

The Group endeavours to maintain sustainable development in the long term, continuously creates value for its employees and customers, and fosters good relationships with its suppliers. The Group believes that employees are its valuable assets, and the realisation and enhancement of employees' values will facilitate the achievement of the Group's overall goals. During the Reporting Period, the Group held staff training, and organised various arts performances and sporting events for the staff. The Group also understands the importance of maintaining good relationships with its suppliers and customers to the overall development of the Group. The Group attaches great importance to supplier selection and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group abides by the principles of honesty and trustworthiness and commits itself to consistently providing quality services to its customers. During the Reporting Period, there was no significant and material dispute between the Group and its suppliers and/or customers.



## **AUDIT COMMITTEE**

The Company has set up an Audit Committee in accordance with the requirements of the Listing Rules to review, supervise and adjust the financial reporting process and internal control of the Group. The Audit Committee comprises two independent non-executive Directors and one non-executive Director.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management of the Company. In addition, the Audit Committee has discussed with the Directors on matters concerning the internal control and financial reporting of the Company, including reviewing the audited consolidated financial statements of the Group for the year of 2023 without dissenting opinions.

## **COMPLIANCE WITH LAWS, REGULATIONS AND CORPORATE GOVERNANCE CODE**

During the Reporting Period, the Company has been in compliance with the laws and regulations which would have a material impact on the Group and the code provisions set out in the Corporate Governance Code under Appendix C1 to the Listing Rules.

## **COMPLIANCE WITH THE MODEL CODE**

In respect of securities transactions of Directors and Supervisors, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by its Directors and Supervisors. Having made sufficient enquiries to Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with the required standards under the Model Code during the Reporting Period.

## **PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

## **FINAL DIVIDEND**

The Board did not propose the payment of a final dividend for the year ended 31 December 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

The Company intends to hold the 2023 annual general meeting of the Company (“AGM”) at 2:00 p.m. on Friday, 14 June 2024 at the Conference Room 704, the 7th Floor, Beijing Youth Daily Agency Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the People’s Republic of China. The register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the AGM, all transfer documents of the holders of H shares together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company’s H share registrar and transfer office in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 7 June 2024. The record date for determining the eligibility to attend the AGM will be on Tuesday, 11 June 2024.

## **PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement will be published on the Company’s website ([www.bjmedia.com.cn](http://www.bjmedia.com.cn)) and the HKEXNEWS website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2023 annual report containing all the information required by the Listing Rules will also be published on the aforesaid websites in due course.

By Order of the Board  
**Beijing Media Corporation Limited**  
**Sun Baojie**  
*Chairman of the Board*

Beijing, the PRC

22 March 2024

*As at the date of this announcement, the Board comprises: the executive directors of the Company, Jing Enji and Wu Min; the non-executive directors of the Company, Sun Baojie, Cui Ping, Wang Hao, Wang Zechen and Zhang Lei; and the independent non-executive directors of the Company, Shi Hongying, Chan Yee Ping, Michael, Du Guoqing and Kong Weiping.*

## DEFINITIONS

“Audit Committee”	The audit committee under the Board
“Beiqing Community Media”	Beiqing Community Media Technology (Beijing) Co., Ltd., a subsidiary of the Company
“Beiqing Innovation Cultural”	Beijing Beiqing Innovation Cultural Industry Development Co., Ltd., a subsidiary of the Company
“Beijing MTR”	Beijing MTR Corporation Limited, an associate of Capital Group under the Listing Rules
“Beijing MTR17”	Beijing Jinggang Line 17 Metro Co., Ltd., a wholly-owned subsidiary of Beijing MTR and an associate of Capital Group under the Listing Rules
“Board”	The board of Directors of the Company
“BYD Logistics”	BYD Logistics Company Limited, a subsidiary of the Company
“BYDA”	Beijing Youth Daily Agency, the controlling shareholder of the Company
“Capital Group”	Beijing Capital Group Company Limited, the de facto controller of the Company
“Capital Securities”	Capital Securities Co., Ltd., a subsidiary of Capital Group
“Company”	Beijing Media Corporation Limited, a joint stock limited company incorporated under the laws of the PRC and whose H Shares are listed and traded on the Hong Kong Stock Exchange
“Director(s)”	The director(s) of the Company
“Domestic Shares”	The ordinary share(s) of RMB1.00 per share in the share capital of the Company
“Group”	The Company and its subsidiaries
“H Shares”	The foreign share(s) listed overseas of RMB1.00 per share in the ordinary share capital of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules
“Reporting Period”	The year ended 31 December 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	The shareholder(s) of the Company
“Supervisor(s)”	The supervisor(s) of the Company