



**HK Stock Code: 1000**

# **2021**

# **INTERIM**

# **REPORT**

**Beijing Media Corporation Limited**

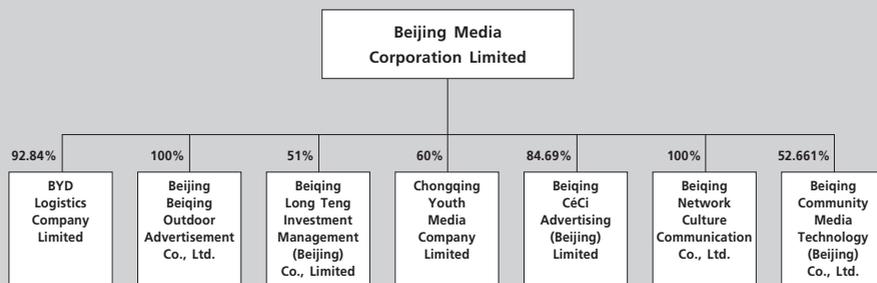
A joint stock company incorporated  
in the People's Republic of China with limited liability

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**COMPANY PROFILE**

Beijing Media Corporation Limited (the “Company” or “Beijing Media”, together with its subsidiaries, collectively referred to as the “Group”) is one of the leading media companies in the People’s Republic of China (the “PRC”). The Group’s main advertising medium is Beijing Youth Daily. Other core businesses of the Group include the production and printing of newspapers, and trading of print-related materials. The Company was listed on the Main Board of Hong Kong Stock Exchange on 22 December 2004.

**Company Structure (as at 30 June 2021)**



**COMPANY WEBSITE**

[www.bjmedia.com.cn](http://www.bjmedia.com.cn)

**STOCK INFORMATION**

Stock Code: 1000

Board Lot: 500 shares

Number of Shares Issued (as at 30 June 2021): 197,310,000 shares

Market Capitalisation (as at 30 June 2021): HK\$146.01 million

Financial Year End: 31 December

Bloomberg’s Stock Machine Search Code: 1000HKEquity

Reuters Stock Machine Search Code: 1000.HK

AS AT 30 JUNE 2021

### EXECUTIVE DIRECTORS

Wu Bin (*Acting President*) <sup>Note 1</sup>  
Shang Da (*Vice President*)  
Liu Jia

### NON-EXECUTIVE DIRECTORS

Su Zhaohui (*Chairman*) <sup>Note 2</sup>  
Sun Fang  
Yang Qing

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Cui Enqing  
Chen Ji  
Wu Changqi  
Shi Hongying  
Chan Yee Ping, Michael

### JOINT COMPANY SECRETARIES

Shang Da  
Yu Leung Fai

### AUDIT COMMITTEE

Chan Yee Ping, Michael (*Chairman*)  
Wu Changqi  
Cui Enqing

### REMUNERATION COMMITTEE

Cui Enqing (*Chairman*)  
Chen Ji  
Wu Changqi

### NOMINATION COMMITTEE

Su Zhaohui (*Chairman*) <sup>Note 2</sup>  
Chen Ji  
Wu Changqi

### AUTHORISED REPRESENTATIVES

Su Zhaohui <sup>Note 2</sup>  
Wu Bin <sup>Note 1</sup>

### ALTERNATIVE AUTHORISED REPRESENTATIVES

Shang Da  
Yu Leung Fai

### REGISTERED OFFICE

Building A, No. 23 Baijiazhuang Dongli,  
Chaoyang District, Beijing, the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10/F, Guangdong Investment Tower,  
148 Connaught Road Central,  
Hong Kong

### LEGAL ADVISER

as for Hong Kong Law  
DLA Piper Hong Kong  
25/F, Three Exchange Square,  
8 Connaught Place,  
Central, Hong Kong

### AUDITORS

WUYIGE Certified Public Accountants LLP  
Room 1504,  
Institute International Building,  
No. 1 Zhichun Road,  
Haidian District,  
Beijing, the PRC

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor  
Services Limited  
Rooms 1712–1716,  
17/F, Hopewell Centre,  
183 Queen's Road East,  
Wanchai, Hong Kong

#### Notes:

- On 4 August 2021, the board (the "Board") of directors (the "Directors") received the written resignation of Mr. Wu Bin. Due to job changes, Mr. Wu Bin requested to resign from the positions as an executive Director, acting president, authorized representative of the Company and all his other positions in the Group. The above resignation takes effect immediately. At the Board meeting held on the same day, Ms. Liu Jia, executive Director, was appointed as the authorized representative of the Company. For details, please refer to the announcement of the Company dated 4 August 2021.
- Upon the approval at the annual general meeting of the Company convened on 18 June 2021, Mr. Su Zhaohui was appointed as the non-executive director of the seventh session of the Board of the Company. At the Board meeting convened on the same day, Mr. Su Zhaohui was elected as the chairman of the Board and the chairman of the Nomination Committee of the Company. Mr. Su Zhaohui was appointed as the authorised representative of the Company on the same day. Please refer to the announcements of the Company dated 28 May 2021 and 18 June 2021 for details.

Dear Shareholders,

On behalf of the Group, I hereby present the report on interim results of the Group for the six months ended 30 June 2021 (the "First Half of 2021").

### **ENTRUSTED BY CAPITAL GROUP**

On 18 June 2020 and 20 May 2021, Beijing Youth Daily Agency ("BYDA"), the Committee of the Beijing Municipality of the Youth League of Communist Party of China ("China Communist Youth League Beijing Committee"), its beneficial owner, and Beijing Capital Group Company Limited ("Capital Group") entered into an entrustment agreement and its supplemental agreement respectively, pursuant to which, China Communist Youth League Beijing Committee and BYDA have authorized Capital Group to exercise the rights and duties of investors/shareholders stipulated in the Company's articles of association to Beijing Media, including but not limited to, the control rights, voting rights, operation rights and income rights over the Company. The term of entrust management will expire on 17 June 2025. Please refer to the announcements of the Company dated 18 June 2020 and 20 May 2021 for details.

Following the entrustment management by Capital Group, the Company held a Board meeting on 18 June 2021 for election of Mr. Su Zhaohui, a member of the Standing Committee of the Party Committee and deputy general manager of Capital Group, as the chairman of the Board of the Company, and held a Board meeting on 4 August 2021 to appoint Mr. Xu Jian as recommended by Capital Group as the president of the Company. The new chairman and the new president have many years of experience in operating management and operation of listed company, and their new role will bring new operation and management concepts and management models to the Company, which will inject new development vitality to and lead to a promising prospect of the Company superimposed with the support of Capital Group.

### **BUSINESS REVIEW OF THE GROUP**

The Group is principally engaged in three core businesses: (1) advertising sales, which contributes to part of the Group's turnover; (2) printing, whose turnover includes revenue from printing publications arranged by BYD Logistics Company Limited ("BYD Logistics"); and (3) trading of print-related materials, which involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to customers including commercial printers.

**BUSINESS REVIEW OF THE GROUP** *(Continued)*

In the First Half of 2021, the operating revenue of the Group was RMB101,002 thousand, representing an increase of 35.98% as compared with that for the corresponding period of 2020 (corresponding period of 2020: RMB74,279 thousand). The increase in operating revenue mainly comprises: (i) the growth of operating revenue of Beijing Community Media Technology (Beijing) Co., Ltd ("Beijing Community Media"), which was RMB29,045 thousand in the First Half of 2021, representing a year-on-year increase of 35.96% as compared with that for the corresponding period of 2020 and accounting for 28.76% of the total operating revenue of the Group; and (ii) the increase in trading of print-related materials whose operating revenue was RMB50,567 thousand in the First Half of 2021, representing a year-on-year increase of 75.98% as compared with that for the corresponding period of 2020 and accounting for 50.07% of the total operating revenue of the Group. Save as disclosed above, the advertising revenue of the Company decreased by 7.46% in the First Half of 2021 as compared with that for the corresponding period of 2020.

In the First Half of 2021, the Group's costs were RMB88,519 thousand, representing an increase of 38.55% as compared with those for the corresponding period of 2020. The increase in the Group's costs in the First Half of 2021 was basically in line with the growth in operating revenue, which was mainly due to the increase in costs with the growth in operating revenue.

In the First Half of 2021, net loss attributable to shareholders of the Company was RMB29,695 thousand (net loss attributable to shareholders of the Company for the corresponding period of 2020: RMB37,121 thousand), representing a year-on-year decrease of approximately 20.00%.

The figures above indicate that the Group's operating revenue and loss reduction are showing better trend as compared with that of the corresponding period of last year, which was mainly because (i) Beijing Community Media, a subsidiary of the Company, has initially built a reasonable business model, recorded continuous growth in operating revenue and achieved operating profits, which have a positive impact on the Group; (ii) the increase in operating revenue from the increase in the trading of print-related materials after the pandemic; and (iii) the slow-down of the decreasing advertising revenue of the Company. All the above indicate that the Group is forming a bottom-building trend.

**BUSINESS REVIEW OF THE GROUP** *(Continued)*

In the revenue composition of Beijing Community Media, a large proportion comes from projects cooperated with government. By leveraging its advantage as a state-owned media company, Beijing Community Media actively explored governmental resources to provide quality services for the government, leading to greater growth potential in operating revenue. Such government projects are relatively stable than those market-oriented projects, which is conducive to Beijing Community Media to consolidate the continuity of its profit model. Beijing Community Media is working hard to continuously consolidate government relations and improve service quality.

The trading of print-related materials is characterized by large operating revenue and low profit margin, and the benefits are mainly improved by increasing sales.

Improving the incentive mechanism and reducing costs are ways to promote the recovery of the Company's advertising business and improve efficiency. The Company will actively implement a comprehensive incentive mechanism to stimulate endogenous motivation and motivate employees' enthusiasm to increase operating revenue and improve efficiency.

Currently, the costs and expenses of the Company are relatively high, which is not in line with the operating revenue. Therefore, reducing costs and expenses is one of the key points to improve profitability. The Company has been actively improving management efficiency and standards, rationally allocating expenditures and establishing a cost management system.

**Advertising Business**

In the First Half of 2021, revenue from advertising business of the Group was RMB46,136 thousand (corresponding period of 2020: RMB39,517 thousand), representing an increase of 16.75% as compared with that for the corresponding period of 2020.

In the First Half of 2021, with the impact of market policies and industry recovery, total advertising revenue has been stabilized and increased year on year in general. In terms of business model, aiming at developing integrated media, the Company focused on the use of new media platforms such as Beijing Headlines APP, YNET.com and WeChat official account, and integrated short video, live broadcast and other video platforms to enrich the integrated media platform. The advertising division has implemented the business division management model for the four key industries of real estate, finance, automobile and education, expecting to make breakthroughs in key industries, and drive the overall situation and expand advantageous businesses. It has also optimized and upgraded the structure of revenue from advertising through integrating cross-industry resources. In particular, industries such as real estate, finance, automobile, sports, and government have basically completed the targeted tasks. Meanwhile, the Company has actively strengthened the assessment and management of business personnel, striving to fully lift the enthusiasm of work.

**BUSINESS REVIEW OF THE GROUP** *(Continued)***Advertising Business** *(Continued)*

The finance business division closely followed national policies and hot political activities and drove advertising operations with news planning. It planned nine featured specials such as “financial assistance for the 14th Five-Year Plan”, “special edition for giving New Year’s greetings during the Spring Festival”, “2021 Two Sessions of the Nation”, “making new advances by good learning of the Party history and re-upgrading of financial services”, fully promoting advertising operations.

The real estate business division has continued to innovate content to expand the industry influence, created the “Trendsetter X Trendy Real Estate (潮人X潮盤)” brand and invited cross-industry got talents to visit the real estate on site together for each issue; it constantly launched blockbuster news on regional reports and industry in-depth investigation. In addition, it explored key customers and piloted small-scale of “full packaged” services. It tried to cooperate with Beijing Science and Technology Park Construction (Group) Co. Ltd. to provide phased “full packaged” services, planned “530 House Buying Festival in Huairou”; and lined up government resources to integrate activities of developers. It has jointly held the “Lize Forum of New Financial Heights (金融新高地麗澤論壇)” with Lize Financial Business District in Beijing, and cooperated with the Beijing Capital Land Ltd., Beijing Urban Construction Investment & Development Co., Ltd and Sino-Ocean Group Holding Limited. All of the above not only generated income, but also was recognized by the industry.

The education business division, with focus on event planning, planned the “Beijing-Tianjin-Hebei Adolescent Science & Technology Innovation Association”, “principal forum of youth education (青教育)”, “Beijing-Tianjin-Hebei youth E-sports competition”. In terms of layout operation, it published a spring special issue and a summer special issue.

**BUSINESS REVIEW OF THE GROUP** *(Continued)***Film and Television Business**

In the First Half of 2021, the Company insisted on developing high-quality film and television projects, focused on the film and television industry research and paid attention to emerging growth points in the industry, such as the exploration of film and television IPs and developing immersion sector. The TV series "Setting Sail" (《启航》) presented by the Company as the lead-presenter in the theme of urban reform and development achieved satisfactory social benefit and steadily recovered distribution income. The Company will continue to leverage its content advantages, actively reserve projects, focus on the development and operation of film and television content, and further enrich the cultural attributes of Beijing Media brand through content development and strategic cooperation.

**Results of Major Subsidiaries of the Group**

Beijing Beiqing Outdoor Advertisement Co., Ltd. ("Beiqing Outdoor") is a wholly-owned subsidiary of the Company which principally engages in the operation of urban outdoor single column billboards. In the First Half of 2021, faced with severe market conditions and shrinking traditional industries, it maintained a good agency business relationship with cooperative enterprises, and continued to look for new opportunities for growth without increasing expenditure costs.

Beiqing Community Media is a 52.661%-owned subsidiary of the Company. Beiqing Community Media has transformed from original traditional media newspaper business model to a government-affiliated integrated media service business model, and has formulated new strategic goals to achieve steady growth in new projects. Beiqing Community Media's intensive cultivation in community media has been highly recognized by community residents, governments at all levels and cooperative businesses, which has greatly increased the influence of Beiqing Community Media. Up to now, Beiqing Community Media has several branches across the whole urban area of Beijing, including CBD, Chaoyang, Dongcheng, Wangjing, Shunyi, Changping and Beijing Administrative Sub-center and has published a total of 12 newspapers of "Beiqing Community Daily". In addition to newspapers, each branch also simultaneously pushes news products on various new media platforms such as Douyin (抖音號), Kuaihou (快手號), Today Headlines Account (今日頭條號), and Sina Weibo (新浪微博), forming a strong media matrix, and the integrated media performed well in propaganda. At the same time, each of the branches of Beiqing Community Media operated a total of 33 certified WeChat official accounts.

**BUSINESS REVIEW OF THE GROUP** (Continued)**Results of Major Subsidiaries of the Group** (Continued)

In the First Half of 2021, Beiqing Community Media continued to promote cooperation in government service and social organizations procurement. Beiqing Community Media undertook the cooperation with the government departments and social organizations to publish newspapers, establishing a total of 6 publications, including “News” (《建聞》), “Shichahai Culture Monthly” (《什刹海文化月刊》), “Beijing Police Academy” (《北京警察學院》), “Oriental Fashion Driving School News” (《東方時尚駕校校報》), “Daxing Civil Affairs” (《大興民政》) and “Wangsiying Community News” (《王四營社區報》); assisted the government in operating of WeChat official accounts, namely “Zhangjiawan, an Ancient Water Transport Town” (《漕運古鎮張家灣》), “A View of Zhongcang” (《瞰中倉》), “Beijing City Sub-center Investment News” (《北京城市副中心投資快訊》), “Tongzhou E Political Communication” (《通州E政通》) and “Tongzhou Youth Innovation Association” (《通州青創會》); and undertook the publicity projects of a total of 17 government units including the Water Affairs Bureau of Beijing Chaoyang District and the Office of the Capital Spiritual Civilization Construction Committee. It established public opinion studio through collaboration with the Network Information Office of CPC Beijing Xicheng District Committee to provide comprehensive services such as monitoring of public opinion. It also cooperated with the Management Committee of Beijing Chaoyang National Cultural Industry Innovation Experimental Zone to launch a joint publication project.

In the First Half of 2021, Beiqing Community Media continued to focus on commercial promotion of the real estate sector, organized brand-themed events for several real estate companies through the marketing methods of online promotion and ground activities, such as carrying out “Celebrating the YOUNG Year with You (約你一起朝YOUNG年)” — warm spring action for caring the youth in Beijing jointly with Chaoyang Communist Youth League, and together with numerous caring enterprises including Peacock City Residential Group (孔雀城住宅集團), 515J and Xiao Yao Yao pharmaceutical platform and held “Passion for Winter Sports — 310 Days Countdown to the Winter Olympics and the Kick-off of 515J Winter Olympics Mass Activity (「激情冰雪相約冬奧倒計時310天暨我愛我家冬奧志願服務百千萬行動啟動會)」” jointly with China Communist Youth League Beijing Committee, the Committee of Youth League in Chaoyang District, and together with 515J, etc. While developing customers for real estate companies, it has also increased its popularity and recognition in the market, and achieved a win-win situation for both corporate reputation and business.

**BUSINESS REVIEW OF THE GROUP** *(Continued)***Results of Major Subsidiaries of the Group** *(Continued)*

In the First Half of 2021, the revenue of Beijing Community Media mainly generated from activities, advertising and WeChat operating, which has increased as compared with that for the corresponding period of 2020. From the perspective of business volume, Beijing Community Media has achieved sustainable development in government cooperation projects, found a suitable market direction for itself, and established its market position in related community services. In the second half of 2021, Beijing Community Media will continue to expand cooperation in government service procurement, and always capture market information with strong execution in view of securing more room for survival under new trends and new environments.

Beijing Network Culture Communication Co., Ltd. ("Beijing Network Culture") is a wholly-owned subsidiary of the Company. Beijing Network Culture, as a limited partner, formed Beijing Runxin Dingtai Investment Centre (limited partnership) (the "Fund") in 2013. In the First Half of 2021, the Fund distributed the exit gains for the previously invested projects, namely Jiangsu Kaimi Membrane Technology Co., Ltd., Guangdong South Lead TV & Film Co., Ltd. and Jushri Technologies, Inc. ("Jushri Technologies"). It is expected that Jushri Technologies, UniTTEC Co., Ltd., and Beijing TINAVI Medical Technology Co., Ltd. projects held by the Fund will still contribute exit gains in the second half of 2021. In the future, the Fund will mainly achieve exit gains from listings, mergers and acquisitions, share transfers of the investees, etc. The Fund will expire in November 2021.

Chongqing Youth Media Company Limited ("Chongqing Youth Media") is a 60%-owned subsidiary of the Company. The current business operations of Chongqing Youth Media are advertising and newspaper distribution. The advertising is mainly on online platforms such as WeChat, Weibo and Chongqing Headlines (重慶頭條) APP, supplemented by newspaper promotion. In the First Half of 2021, affected by the media environment and the COVID-19 epidemic, the revenue from advertising has declined and the circulation of newspapers was approximately 5,000. Chongqing Youth Media has adjusted the strategy in a timely manner according to market demand, and customized the promotion plan for key accounts such as Chongqing Aier Maige Ophthalmology Hospital Co., Ltd. On the basis of stabilizing the existing team, it deepened the reform of the system and mechanism, and made greater efforts in the training of All-media talents, so as to develop a group of high-level talents who can integrate resources and platforms, are willing to make innovation, are good at decision-making, and lead and guide the development of integrated media and the construction of All-media.

**BUSINESS REVIEW OF THE GROUP** *(Continued)***Results of Major Subsidiaries of the Group** *(Continued)*

BYD Logistics is a 92.84%-owned subsidiary of the Company and is principally engaged in printing and trading business of printing-related materials. In the First Half of 2021, in terms of printing business, the sales increased slightly as compared with that for the corresponding period of 2020, mainly due to the increase in external printing business. In terms of printing related material trading, the agency business of imported paper increased rapidly, moreover, the imported writing paper had a promising sales trend. Under the dual competitive advantages of sales price and supply, sales value in the First Half of 2021 achieved a substantial increase, representing an increase of 60.97% as compared with that for the corresponding period of 2020. In addition, BYD Logistics actively improved its own advantages and obtained the Management Quality System Certification Certificate in April 2021, passing the certification in "sales of paper", which further established the advantages of sales of paper and provided a strong guarantee for the future market bidding.

**PROSPECTS AND FUTURE PLANS**

In the second half of 2021, despite of the recurring epidemic, the Company believes that with the leadership of the government, there will not be a great impact on the economic situation. From the overall perspective of macroeconomic development trend, the market economic environment in the second half is generally better than that in the first half. From the perspective of development trend of the industry over the past years, it will be better than the first half in the second half, when the industry enters into its peak season. Therefore, according to the macroeconomic development trend and industry development trend, the Company predicts that its operations will tend to improve in a favorable direction in the second half of 2021.

In the second half of 2021, by leveraging on the extensive experience, professional skills, strategic planning and management capabilities of the new chairman and president of the Company, it is believed that the operation and management standards of the Company will be greatly improved.

In the second half of 2021, the Company will continue to consolidate its business foundation. On the basis of continuing to increase revenue and reduce expenditures, maintain the existing main business and strengthen the original performance, the Company will continue to optimize the management structure, integrate the advantageous resources of all parties, and try to make use of its advantages to reform, actively explore new marketing models and business directions, create new business growth drivers, and strive to improve quality and efficiency.

**PROSPECTS AND FUTURE PLANS** *(Continued)*

The Group's business in the First Half of 2021 was based on the concerted efforts of the entire management teams and staff in each of our business segments. The Group's success was due to key factors as a keen insight to market opportunities and the excellent quality of our management teams and staff. On behalf of the shareholders of the Company and other members of the Board, I would like to express my heartfelt and sincere gratitude to the entire management teams and staff in each of our business segments.

**Su Zhaohui***Chairman*

27 August 2021

Beijing, the PRC

## FINANCIAL REVIEW

### 1. Total Operating Revenue

For the six months ended 30 June 2021, total operating revenue of the Group was RMB101,002 thousand (corresponding period of 2020: RMB74,279 thousand), representing an increase of 35.98% as compared with that for the corresponding period of 2020, of which, revenue from advertising was RMB46,136 thousand (corresponding period of 2020: RMB39,517 thousand), representing an increase of RMB6,619 thousand or 16.75% as compared with that for the corresponding period of 2020; revenue from printing was RMB1,677 thousand (corresponding period of 2020: RMB1,434 thousand), representing an increase of RMB243 thousand or 16.95% as compared with that for the corresponding period of 2020; and revenue from the trading of print-related materials was RMB50,567 thousand, (corresponding period of 2020: RMB28,735 thousand), representing an increase of RMB21,832 thousand or 75.98% as compared with that for the corresponding period of 2020.

### 2. Operating Costs and Tax and Surcharges

For the six months ended 30 June 2021, operating costs of the Group were RMB88,519 thousand (corresponding period of 2020: RMB63,889 thousand), representing an increase of 38.55% as compared with those for the corresponding period of 2020, of which, costs of advertising were RMB37,885 thousand (corresponding period of 2020: RMB33,549 thousand), representing an increase of RMB4,336 thousand or 12.92% compared with those for the corresponding period of 2020; costs of printing were RMB1,464 thousand (corresponding period of 2020: RMB1,252 thousand), representing an increase of RMB212 thousand or 16.93% as compared with those for the corresponding period of 2020; costs of the trading of print-related materials were RMB48,538 thousand (corresponding period of 2020: RMB28,064 thousand), representing an increase of RMB20,474 thousand or 72.95% as compared with those for the corresponding period of 2020; tax and surcharges were RMB711 thousand (corresponding period of 2020: RMB945 thousand), representing a decrease of 24.76% as compared with those for the corresponding period of 2020.

### 3. Selling Expenses

For the six months ended 30 June 2021, selling expenses of the Group were RMB7,241 thousand (corresponding period of 2020: RMB7,268 thousand), representing a decrease of 0.37% as compared with those for the corresponding period of 2020.

### 4. Administrative Expenses

For the six months ended 30 June 2021, administrative expenses of the Group were RMB15,994 thousand (corresponding period of 2020: RMB15,183 thousand), representing an increase of 5.34% as compared with those for the corresponding period of 2020.

**FINANCIAL REVIEW** *(Continued)*

**5. Financial Expenses**

For the six months ended 30 June 2021, financial expenses of the Group were RMB-1,439 thousand (corresponding period of 2020: RMB-1,150 thousand), representing an increase of 25.13% in absolute value as compared with those for the corresponding period of 2020, of which, interest income was RMB1,336 thousand (corresponding period of 2020: RMB1,276 thousand), representing an increase of 4.7% as compared with that for the corresponding period of 2020.

**6. Share of Loss of Associates**

For the six months ended 30 June 2021, share of profit of associates of the Group was RMB28 thousand (corresponding period of 2020: RMB-6,263 thousand), representing a decrease in loss of 100.45% as compared with that for the corresponding period of 2020.

**7. Operating Profit**

For the six months ended 30 June 2021, operating profit of the Group was RMB-28,883 thousand (corresponding period of 2020: RMB-38,208 thousand), representing a decrease in loss of 24.41% as compared with that for the corresponding period of 2020.

**8. Income Tax Expenses**

For the six months ended 30 June 2021, income tax expenses of the Group for the current period were RMB388 thousand (corresponding period of 2020: RMB1,229 thousand), representing a decrease of 68.43% as compared with those for the corresponding period of 2020.

**9. Net Profit/Loss Attributable to Shareholders of the Company**

For the six months ended 30 June 2021, net loss attributable to shareholders of the Company was RMB29,695 thousand (corresponding period of 2020: net loss of RMB37,121 thousand), representing a decrease in net loss of 20.00% as compared with that for the corresponding period of 2020.

**FINANCIAL REVIEW** *(Continued)***10. Financial Resources and Liquidity**

For the six months ended 30 June 2021, the Group's funds are mainly derived from the fund generated from operating business and deposits balance. The Group's funds are mainly used as the working capital and general recurrent expenses of the Group.

As at 30 June 2021, current assets of the Group were RMB327,669 thousand (31 December 2020: RMB356,897 thousand), including bank balances and cash of RMB229,304 thousand (31 December 2020: RMB240,221 thousand). Non-current assets of the Group were RMB381,293 thousand (31 December 2020: RMB388,550 thousand).

As at 30 June 2021, current liabilities of the Group were RMB83,189 thousand (31 December 2020: RMB90,159 thousand) and non-current liabilities were RMB6,502 thousand (31 December 2020: RMB6,792 thousand).

As at 30 June 2021, shareholders' equity of the Group was RMB619,271 thousand (31 December 2020: RMB648,496 thousand).

**11. Bank Borrowings, Overdrafts and Other Borrowings**

As at 30 June 2021, the bank borrowings of the Group were Nil (31 December 2020: Nil). Most of the currency unit of cash and cash equivalent held by the Group was Renminbi.

**12. Gearing Ratio**

As at 30 June 2021, gearing ratio of the Group was 14.48% (31 December 2020: 14.95%) (the gearing ratio is derived from dividing the Group's total liabilities by its total equity).

**SHARE STRUCTURE (AS AT 30 JUNE 2021)**

	Number of Shares	Proportion to total share capital (%)
Holders of domestic shares <ul style="list-style-type: none"> <li>— Beijing Youth Daily Agency</li> <li>— Beijing Chengshang Cultural Communication Co., Ltd.</li> <li>— China Telecommunication Broadcast Satellite Co., Ltd.</li> <li>— Beijing Development Area Ltd.</li> <li>— Sino Television Co., Ltd.</li> </ul>	124,839,974          7,367,000          4,263,117          2,986,109          2,952,800	63.27          3.73          2.16          1.52          1.50
Domestic shares (subtotal)	142,409,000	72.18
H shares <sup>Note</sup>	54,901,000	27.82
<b>Total share capital</b>	<b>197,310,000</b>	<b>100</b>

*Note:*

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

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, so far as the Directors, supervisors (“Supervisors”) and chief executive of the Company are aware, according to the register of interests and/or short positions in shares required to be kept pursuant to Section 336 of Part XV of the Securities and Futures Ordinance (“SFO”), the persons in the following table had an interest and/or short position in the shares or underlying shares of the Company:

Name of shareholders	Capacity	H shares/ domestic shares	Nature of Interest	Number of H shares/ domestic shares held	Percentage of H shares/ domestic shares held over total issued	Percentage in total share capital of the Company
Beijing Youth Daily Agency	Beneficial owner	domestic shares	N/A	124,839,974	87.66	63.27
Beijing Capital Group <sup>Note 1</sup>	Other	domestic shares	N/A	124,839,974	87.66	63.27
Beijing Chengshang Cultural Communication Co., Ltd. <sup>Note 2</sup>	Beneficial owner	domestic shares	N/A	7,367,000	5.17	3.73
Guofu Shangtong Information and Technology Development Co., Ltd. <sup>Note 2</sup>	Interest of controlled corporation	domestic shares	N/A	7,367,000	5.17	3.73
Leshi Internet Information & Technology Corp., Beijing <sup>Note 3</sup>	Beneficial owner	H shares	Long position	19,533,000	35.58	9.90
Founder Investment (HK) Ltd. <sup>Note 4 and Note 5</sup>	Beneficial owner	H shares	Long position	4,939,000	8.99	2.50
Beijing University Founder Investment Co., Ltd. <sup>Note 4</sup>	Interest of controlled corporation	H shares	Long position	4,939,000	8.99	2.50
Beijing University New Technology Corporation <sup>Note 4</sup>	Interest of controlled corporation	H shares	Long position	4,939,000	8.99	2.50
Beijing University <sup>Note 4</sup>	Interest of controlled corporation	H shares	Long position	4,939,000	8.99	2.50
CITI CITI Ltd. <sup>Note 5</sup>	Interest of controlled corporation	H shares	Long position	4,939,000	8.99	2.50
Xia Jie <sup>Note 5</sup>	Interest of controlled corporation	H shares	Long position	4,939,000	8.99	2.50
Yue Shan International Limited <sup>Note 6</sup>	Interest of controlled corporation	H shares	Long position	4,939,000	8.99	2.50
Cao Yawen <sup>Note 6</sup>	Interest of controlled corporation	H shares	Long position	4,939,000	8.99	2.50
Aggregate Asset Management Pte Ltd.	Investment manager	H shares	Long position	2,869,000	5.23	1.45

**INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES** *(Continued)*

Notes:

1. Entrusted by the China Communist Youth League Beijing Committee, the Capital Group has taken over the subsidiaries of Beijing Youth Daily Agency (excluding the Company) since 18 June 2020 with a term of five years. The Company has been included in the scope of such custody since 20 May 2021, pursuant to which, the Capital Group will exercise the powers of investors/ shareholders stipulated in the Company's articles of association during the term of the custody, including but not limited to obtaining the Company's control, voting, operating and profit rights. Therefore, Capital Group has an interest in the 124,839,974 domestic shares held by Beijing Youth Daily Agency.
2. Beijing Chengshang Cultural Communication Co., Ltd. owns 7,367,000 domestic shares of the Company, approximately amounting to 3.73% of the total issued share capital (5.17% of the total issued domestic shares) of the Company. Guofu Shangtong Information and Technology Development Co., Ltd. directly owns 42.86% of Beijing Chengshang Cultural Communication Co., Ltd. and is therefore deemed to have an interest in the 7,367,000 domestic shares registered in the name of Beijing Chengshang Cultural Communication Co., Ltd. under the SFO. On 22 March 2021, the interests of such shares were provided to persons other than qualified lenders as guarantees, which led to the change in the nature of the equity interests held by Beijing Chengshang Cultural Communication Co., Ltd. and Guofu Shangtong Information and Technology Development Co., Ltd. in such shares.
3. Leshi Internet Information & Technology Corp., Beijing owns 19,533,000 H shares of the Company, representing approximately 9.9% of the total issued share capital (35.58% of the total issued H shares) of the Company.
4. Founder Investment (HK) Ltd. owns 4,939,000 H shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H shares) of the Company. Beijing University directly owns 100% equity interest in Beijing University New Technology Corporation, which directly owns 80% equity interest in Beijing Beida Founder Group, which in turn owns 51% equity interest in Founder Investment (HK) Ltd. Therefore Beijing University, Beijing University New Technology Corporation, Beijing Beida Founder Group and Beijing University Founder Investment Co., Ltd. are deemed under the SFO to have an interest in the 4,939,000 H shares registered in the name of Founder Investment (HK) Ltd..
5. Founder Investment (HK) Ltd. owns 4,939,000 H shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H shares) of the Company. Xia Jie indirectly owns 49% equity interest in Founder Investment (HK) Ltd. through CITI CITI Ltd., which is directly 100% owned by Xia Jie. Therefore Xia Jie is deemed under the SFO to have an interest in the 4,939,000 H shares registered in the name of Founder Investment (HK) Ltd.
6. Yue Shan International Limited, as a trust beneficiary, owns 4,939,000 H shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H shares) of the Company. Cao Yawen directly owns 100% equity interest in Yue Shan International Limited and is therefore deemed under the SFO to have an interest in the 4,939,000 H Shares registered in the name of Founder Investment (HK) Ltd.

**INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES** *(Continued)*

*Information disclosed above is based on the data published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).*

Save as disclosed above, to the best knowledge of the Directors, Supervisors and chief executives of the Company, as at 30 June 2021, there was no other person with interests and/or short positions in shares or underlying shares of the Company which should be recorded under section 336 of the SFO.

**CAPITAL EXPENDITURE**

Capital expenditure, including purchase of electronic equipment, of the Group for the First Half of 2021 was RMB207 thousand (corresponding period of 2020: RMB82 thousand). The Group expects that its capital expenditure for the second half of 2021 will be mainly comprised of the expenditures consistent with business strategies.

**CONTINGENT LIABILITIES AND PLEDGE OF ASSETS**

As at 30 June 2021, the Group did not have any other contingent liabilities or any pledge of assets.

**FOREIGN EXCHANGE RISKS**

Renminbi is the functional currency of the Company. The Company's operations conducted in the PRC are mainly settled in Renminbi. However, certain payables are settled in foreign currency (mainly Hong Kong dollars). Therefore, the Company 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.

**EMPLOYEES**

As at 30 June 2021, the Group had a total of 280 employees (as at 30 June 2020: a total of 308 employees), and the decrease in the number of employees as compared with the corresponding period of last year was mainly due to the reasonable adjustment of the normal business needs of some subsidiaries of the Company. During the six months ended 30 June 2021, the total employees remuneration paid by the Group was approximately RMB25,434 thousand. The remuneration and benefits of the employees of the Group are determined in accordance with market rates, state policies and individual performance. The Group actively encouraged the self-development of the employees. In the First Half of 2021, the Group carried out staff trainings in respect of connected transactions and compliance management, etc.

**INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY**

As at 30 June 2021, none of the Directors, Supervisors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded into the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), to be notified to the Company and the Hong Kong Stock Exchange.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2021, neither of the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

**MATERIAL INVESTMENTS**

As at 30 June 2021, the Company’s investments in Beiyang Publishing & Media Co., Ltd., Beijing Keyin Media Culture Co., Ltd. and Beijing Runxin Dingtai Investment Center (limited partnership) account for over 5% of the Group’s total assets in value. For details of such significant investments, please refer to “VIII.6. Investment in other equity instruments”, “VIII.7. Other non-current financial assets”, “X.3. Equity in investment in other equity instruments”, “X.4. Equity in other non-current financial assets” to the notes to the financial statements of the report.

Save as disclosed in this report, as of 30 June 2021, the Group had no new material investment, or any plan related to material investment or acquisition of assets.

**MATERIAL ACQUISITION AND DISPOSAL OF ASSETS**

During the six months ended 30 June 2021, the Group had no material acquisition or disposal of assets.

During the six months ended 30 June 2021, the Group had no material acquisition or disposal of subsidiaries, associates or joint ventures.

**AMENDMENT TO ARTICLES OF ASSOCIATION**

There was no material amendment to the articles of association of the Company during the six months ended 30 June 2021.

**CHANGES AND EFFECT IN THE INDUSTRY SEGMENTS OF THE GROUP SINCE 31 DECEMBER 2020**

Save as disclosed above, the industry segments, the developments within the segments and the information disclosed in the most recent published annual report of the Group have not changed materially, and did not have significant effect on the performance of each industry segment of the Group.

**CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT**

During the six months ended 30 June 2021, the Company had fully complied with all code provisions set out in the Corporate Governance Code and Corporate Governance Report under Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

**COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by Directors and Supervisors. Having made sufficient enquiries of all Directors and Supervisors of the Company, all Directors and Supervisors confirmed that they had fully complied with the standards under the Model Code during the six months ended 30 June 2021.

**AUDIT COMMITTEE**

Pursuant to the requirements of the Listing Rules, the Company has set up an Audit Committee which is responsible for the review, supervision and adjustment of the financial reporting process and internal control of the Group. Members of the Audit Committee comprise three independent non-executive Directors.

The Audit Committee and the management of the Company have reviewed the accounting principles and practices adopted by the Group. In addition, the Audit Committee has also discussed with the Directors on matters concerning the internal control and financial reporting of the Company, including the review of the unaudited financial statements of the Group for the six months ended 30 June 2021, and has no objection thereto.

**CONNECTED TRANSACTIONS MANAGEMENT**

In order to standardise and strengthen the Company’s management of connected transactions, the Company has established the “Beijing Media Corporation Limited Connected Transactions Management System”. The office of the Board of the Company is responsible for the management of connected transactions. Pursuant to the requirements of the relevant system of the Company, the Company is required to comply with the reporting, announcements and independent shareholders’ approval requirements (if applicable) under the Listing Rules before conducting any proposed connected transactions.

**INTERNAL CONTROL AND RISK MANAGEMENT**

The Company has engaged internal control advisors for two consecutive years to review the Group’s internal control and risk management and make recommendations for improvement. The management of the Company acknowledges the internal control report issued by the internal control advisor and has been actively implementing a series of rectification measures to address the issues identified in the report, including but not limited to:

1. the Company has improved the Group’s management of transactions, with a contact in each division and subsidiary to regularly report the latest special transactions and significant financial expenditures and relevant plans to the Company’s responsible team which will follow up with relevant approval and disclosure procedures in accordance with the Listing Rules;
2. the Company has established and continuously improved the subsidiaries’ system of reporting connected transactions and conflict of interest explanatory letters to ensure that the information filled in by members of the Board and senior executives of subsidiaries and major shareholders of material subsidiaries is complete;
3. the Company has continuously conducted compliance training to Directors, Supervisors and senior management of the Company as well as relevant responsible personnel of the Company’s departments and at the subsidiary level on matters such as connected transactions, notifiable transactions and disclosure of inside information, and sent compliance reminder letters to relevant personnel of subsidiaries on a monthly basis;
4. the Company will further revise and improve its written management system, clearly distinguish function of each department for relevant transactions, and seek advice from legal advisors and other external experts in relation to transactions; and
5. the Company has strengthened the management of overdue accounts receivable, regularly summarized and submitted written collection records to the management, and maintained collection plans and repayment plans for follow-up collection.

**DISTRIBUTABLE RESERVE**

As at 30 June 2021, the Company's accumulated loss amounted to RMB635,729 thousand and the Company's surplus reserve amounted to RMB130,931 thousand.

According to the articles of association of the Company, the Company's surplus reserve can be used to recover its losses after being approved at the general meeting of the Company.

**INTERIM DIVIDEND**

The Board does not recommend the distribution of any interim dividend for the six months ended 30 June 2021.

**CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

On 18 June 2021, the Board received the written resignation of Mr. Ji Chuanpai. As Beijing Youth Daily Agency, a controlling shareholder of the Company, has entrusted the Capital Group Company Limited to manage the Company, Mr. Ji Chuanpai, as a director recommended by BYDA, requested to resign from the positions as an executive director, chairman of the Board, chairman of the Nomination Committee of the Board, authorized representative of the Company and all his other positions in the Group. For details, please refer to the announcement of the Company dated 18 June 2021.

Upon approval at the annual general meeting of the Company held on 18 June 2021, Mr. Su Zhaohui was appointed as the non-executive director of the seventh session of the Board of the Company. At the Board meeting held on the same day, Mr. Su Zhaohui was elected as the chairman of the Board and chairman of the Nomination Committee of the Company. Mr. Su Zhaohui was also appointed as the authorized representative of the Company on the same day. For details, please refer to the announcements of the Company dated 28 May 2021 and 18 June 2021.

**CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT** *(Continued)*

On 4 August 2021, the Board received the written resignation of Mr. Wu Bin. Due to job changes, Mr. Wu Bin requested to resign from the positions as an executive director, acting president, authorized representative of the Company and all his other positions in the Group. The above resignation takes effect immediately. For details, please refer to the announcement of the Company dated 4 August 2021.

On 4 August 2021, Mr. Xu Jian was appointed as the president of the Company. On the same day, Mr. Xu Jian was also nominated by the Board as the executive director of the seventh session of the Board of the Company, with effect from the date on approval by shareholders at the general meeting. For details, please refer to the announcement of the Company dated 4 August 2021.

On 4 August 2021, Ms. Liu Jia, executive Director was appointed as the authorised representative of the Company.

Ms. Shi Hongying was appointed as an expert on the “Civil Administrative Prosecution Expert Consultation Network” of the Sixth and Seventh Procuratorate of the Supreme People’s Procuratorate in March 2021.

Unit: RMB'000

Item	Notes	As at 30 June 2021	As at 31 December 2020
<b>Current assets:</b>			
Bank balances and cash		<b>229,304</b>	240,221
Notes receivable		<b>463</b>	100
Accounts receivable	VIII.1	<b>47,527</b>	66,762
Prepayments	VIII.2	<b>1,029</b>	1,171
Other receivables	VIII.3	<b>3,305</b>	3,467
Inventories		<b>16,686</b>	13,460
Other current assets	VIII.4	<b>29,355</b>	31,716
<b>Total current assets</b>		<b>327,669</b>	356,897
<b>Non-current assets:</b>			
Long-term equity investment	VIII.5	<b>3,525</b>	3,497
Investment in other equity instruments	VIII.6	<b>205,927</b>	205,927
Other non-current financial assets	VIII.7	<b>37,956</b>	43,017
Investment properties		<b>110,879</b>	110,971
Fixed assets	VIII.8	<b>578</b>	776
Construction in progress		<b>425</b>	—
Intangible assets	VIII.9	<b>19,553</b>	20,029
Goodwill	VIII.10	—	—
Right-of-use assets		<b>1,028</b>	1,982
Long-term deferred expenses		<b>1,422</b>	2,351
Other non-current assets	VIII.11	—	—
<b>Total non-current assets</b>		<b>381,293</b>	388,550
<b>Total assets</b>		<b>708,962</b>	745,447

		<i>Unit: RMB'000</i>	
Item	<i>Notes</i>	As at 30 June 2021	As at 31 December 2020
<b>Current liabilities:</b>			
Notes payable		14,072	10,807
Accounts payable	<i>VIII. 13</i>	8,906	13,335
Contract liabilities		22,519	23,560
Employee benefit payables		5,838	5,887
Tax payables		425	4,452
Other payables	<i>VIII. 14</i>	29,912	30,344
Non-current liabilities due within one year	<i>VIII. 15</i>	164	218
Other current liabilities		1,353	1,556
<b>Total current liabilities</b>		<b>83,189</b>	90,159
<b>Non-current liabilities:</b>			
Leased liabilities		—	83
Deferred income tax liabilities		6,502	6,709
<b>Total non-current liabilities</b>		<b>6,502</b>	6,792
<b>Total liabilities</b>		<b>89,691</b>	96,951
<b>Shareholders' equity:</b>			
Share capital		197,310	197,310
Capital reserves		934,421	934,421
Other comprehensive income	<i>VIII. 16</i>	95,815	95,834
Surplus reserves		130,931	130,931
Undistributed profits		(759,682)	(729,987)
<b>Total equity attributable to shareholders of the Company</b>		<b>598,795</b>	628,509
Non-controlling interest		20,476	19,987
<b>Total shareholders' equity</b>		<b>619,271</b>	648,496
<b>Total liabilities and shareholders' equity</b>		<b>708,962</b>	745,447
<b>Net current assets</b>		<b>244,480</b>	266,738
<b>Total assets less current liabilities</b>		<b>625,773</b>	655,288

Unit: RMB'000

For the six months ended 30 June

Item	Notes	2021	2020
<b>Total operating revenue</b>	VIII.17	<b>101,002</b>	74,279
<b>Total operating costs</b>		<b>111,026</b>	86,135
Operating costs	VIII.17	<b>88,519</b>	63,889
Tax and surcharges	VIII.18	<b>711</b>	945
Selling expenses		<b>7,241</b>	7,268
Administrative expenses		<b>15,994</b>	15,183
Financial expenses	VIII.19	<b>(1,439)</b>	(1,150)
Including: Interest expenses		<b>11</b>	77
Interest income		<b>1,336</b>	1,276
Add: Other income		<b>110</b>	205
Investment income	VIII.20	<b>2,522</b>	(223)
Including: Gain from investments in associates		<b>28</b>	(6,263)
Gain on the changes in fair value	VIII.21	<b>(92)</b>	(10,186)
Impairment loss of credit	VIII.22	<b>(21,401)</b>	(16,204)
Gain on disposal of asset		<b>2</b>	56
<b>Operating profit</b>		<b>(28,883)</b>	(38,208)
Add: Non-operating income	VIII.23	<b>283</b>	188
Less: Non-operating expenses	VIII.24	<b>205</b>	88
<b>Total profit</b>		<b>(28,805)</b>	(38,108)
Less: Income tax expenses	VIII.25	<b>388</b>	1,229
<b>Net profit</b>		<b>(29,193)</b>	(39,337)
<b>Net profit attributable to:</b>			
Net profit from continuing operations		<b>(29,193)</b>	(39,337)
Net profit from discontinued operations		<b>—</b>	—
Shareholders of the Company		<b>(29,695)</b>	(37,121)
Non-controlling shareholders		<b>502</b>	(2,216)

		<i>Unit: RMB'000</i>	
		<b>For the six months ended 30 June</b>	
<b>Item</b>	<i>Notes</i>	<b>2021</b>	<b>2020</b>
<b>Other net comprehensive income after tax</b>		<b>(32)</b>	43
Other net comprehensive income after tax attributable to owners of the Company	<i>VIII.16</i>	<b>(19)</b>	26
Including: Other comprehensive income will not be reclassified into profit or loss		—	—
Including: Change in fair value of other equity instruments investments		—	—
Including: Other comprehensive income subsequently reclassified into profit or loss		<b>(19)</b>	26
Including: Items attributable to investees under equity method subsequently reclassified to profit or loss		—	—
Exchange differences from retranslation of financial statements		<b>(19)</b>	26
<b>Other net comprehensive income after tax attributable to non-controlling shareholders</b>		<b>(13)</b>	17
<b>Total comprehensive income</b>		<b>(29,225)</b>	(39,294)
Total comprehensive income attributable to shareholders of the Parent		<b>(29,714)</b>	(37,095)
Total comprehensive income attributable to non-controlling shareholders		<b>489</b>	(2,199)
<b>Earnings per share:</b>			
Basic earnings per share (RMB)	<i>XVII.1</i>	<b>(0.15)</b>	(0.19)
Diluted earnings per share (RMB)	<i>XVII.1</i>	<b>(0.15)</b>	(0.19)
Dividends	<i>VIII.26</i>	—	—

*Unit: RMB'000*  
For the six months ended 30 June

Item	2021	2020
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of service	111,005	69,664
Tax refund received	790	—
Other cash receipt relating to operating activities	32,821	4,716
<b>Sub-total of cash inflows from operating activities</b>	<b>144,616</b>	74,380
Cash paid for goods purchased and services received	91,671	46,811
Cash paid to and on behalf of employees	25,435	23,363
Payments of taxes and surcharges	7,356	2,282
Other cash payments relating to operating activities	8,476	13,114
<b>Sub-total of cash outflows from operating activities</b>	<b>132,938</b>	85,570
<b>Net cash flows from operating activities</b>	<b>11,678</b>	(11,190)
<b>II. Cash flows from investing activities:</b>		
Cash received from sales of investments	3,658	5,581
Cash received from returns on investment	2,956	7,021
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2	65
Other cash receipt relating to investing activities	1,990	1,000
<b>Sub-total of cash inflows from investing activities</b>	<b>8,606</b>	13,667
Cash paid to acquire fixed assets, intangible assets and other long-term assets	704	—
Cash paid on investment	—	—
Other cash payments related to investing activities	—	—
<b>Sub-total of cash outflows from investing activities</b>	<b>704</b>	—
<b>Net cash flows from investing activities</b>	<b>7,902</b>	13,667

		<i>Unit: RMB'000</i>	
		<b>For the six months ended 30 June</b>	
<b>Item</b>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>III. Cash flows from financing activities:</b>			
Cash received from investors		—	—
Including: cash received from non-controlling shareholders of subsidiaries		—	—
Cash received from borrowings obtained		—	—
Other cash receipts relating to financing activities		—	—
<b>Sub-total of cash inflows from financing activities</b>		<b>—</b>	<b>—</b>
Cash payments for borrowings repayment		—	—
Cash payments for distribution of dividends or profits or interest expense		—	—
Including: dividends, profits paid to non-controlling shareholders of subsidiaries		—	—
Other cash receipts relating to financing activities		<b>127</b>	122
<b>Sub-total of cash outflows from financing activities</b>		<b>127</b>	122
<b>Net cash flows from financing activities</b>		<b>(127)</b>	(122)
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		<b>119</b>	33
<b>V. Net increase in cash and cash equivalents</b>		<b>19,572</b>	2,388
Add: balance of cash and cash equivalents at the beginning of the period		<b>195,660</b>	187,707
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<i>VIII.27</i>	<b>215,232</b>	190,095

Unit: RMB'000

Item	For the six months ended 30 June 2021							Non-controlling interest	Total shareholders' equity
	Total equity attributable to shareholders of the Parent								
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve (Note)	Undistributed profits	Subtotal			
Balance as at 31 December 2020	197,310	934,421	95,834	130,931	(729,987)	628,509	19,987	648,496	
Effect of the changes in accounting policies	—	—	—	—	—	—	—	—	
Balance as at 1 January 2021	197,310	934,421	95,834	130,931	(729,987)	628,509	19,987	648,496	
Net profit	—	—	—	—	(29,695)	(29,695)	502	(29,193)	
Other comprehensive income	—	—	(19)	—	—	(19)	(13)	(32)	
Other comprehensive income carry-forward to retained earnings	—	—	—	—	—	—	—	—	
Others	—	—	—	—	—	—	—	—	
Sub-total of the changes for the period	—	—	(19)	—	(29,695)	(29,714)	489	(29,225)	
Balance as at 30 June 2021	197,310	934,421	95,815	130,931	(759,682)	598,795	20,476	619,271	

Item	For the six months ended 30 June 2020							Non-controlling interest	Total shareholders' equity
	Total equity attributable to shareholders of the Parent								
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve (Note)	Undistributed profits	Subtotal			
Balance as at 1 January 2020	197,310	934,421	105,909	130,931	(599,811)	768,760	26,237	794,997	
Net profit	—	—	—	—	(37,121)	(37,121)	(2,216)	(39,337)	
Other comprehensive income	—	—	26	—	—	26	17	43	
Other comprehensive income carry-forward to retained earnings	—	—	—	—	—	—	—	—	
Others	—	—	—	—	—	—	—	—	
Sub-total of the changes for the period	—	—	26	—	(37,121)	(37,095)	(2,199)	(39,294)	
Balance as at 30 June 2020	197,310	934,421	105,935	130,931	(636,932)	731,665	24,038	755,703	

Note: In accordance with the People's Republic of China ("PRC") regulations and the Articles of Association of the Company, the respective subsidiaries of the Group are required to transfer 10% of the profit after tax, determined in accordance with the PRC Accounting Standards, every year to statutory surplus reserves until the balance reaches 50% of the registered share capital. Such reserves can be used to offset any losses to be incurred and to increase share capital. Except for the reduction of losses, any other usage should not result in the balance falling below 25% of the registered share capital.

**I. GENERAL INFORMATION**

Beijing Media Corporation Limited (hereinafter referred to as the “Company”) was incorporated in the PRC on 28 May 2001 as a joint stock company with limited liability under the PRC Company Law. The Company is listed on the Main Board of the Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

The Company’s parent company is Beijing Youth Daily Agency and the Company’s ultimate holding company is Beijing Capital Group Company Limited.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section in the interim report.

The consolidated financial statements are presented in Renminbi (“RMB”) which is the functional currency of the Company as well.

The Company and its subsidiaries (hereinafter referred to as the Group (“Group”)) are principally engaged in the provision of newspaper, magazine and outdoor advertising services, printing and trading of print-related materials in the PRC.

**II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS**

The subsidiaries which are included in the scope of consolidated financial statements for the six months ended 30 June 2021 of the Group are as follows:

Name of units	Shareholding (%)	
	Direct	Indirect
Beijing Beiqing Outdoor Advertisement Co., Ltd. (Beiqing Outdoor)	100.00	—
Beiqing Network Culture Communication Co., Ltd. (Beiqing Network)	100.00	—
BYD Logistics Company Limited (BYD Logistics)	92.84	—
Beiqing CéCi Advertising (Beijing) Limited (Beiqing Céci)	84.69	—
Beiqing Long Teng Investment Management (Beijing) Co., Limited (Beiqing Long Teng)	80.84	—
Beiqing Community Media Technology (Beijing) Co., Ltd. (Beiqing Community Media)	52.661	—
Chongqing Youth Media Company Limited (Chongqing Media)	60.00	—
CHONG QING YOUTH (AMERICA) LLC (Chong Qing America) (Note)	—	60.00

Note: Chong Qing America is 100% holding by the Group’s 60% direct holding subsidiary Chongqing Media.

### III. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

#### 1. Basis of preparation

The Group's financial statements for the six months ended 30 June 2021 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with requirement such as Accounting Standards for Business Enterprises — Basic Standard and specific accounting standards ("PRC Accounting Standard") issued by the Ministry of Finance of the People's Republic of China (the "Ministry of Finance"), as well as applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in Note V "Significant accounting policies and accounting estimates".

#### 2. Going concern

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 issue affecting the ability of on-going operation.

### IV. 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 30 June 2020 and its consolidated operating results, consolidated cash flows and other relevant information for the six months ended 30 June 2021.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

#### 1. Accounting period

The accounting period of the Group is from 1 January to 31 December of each calendar year.

The period of this interim financial report is from 1 January 2021 to 30 June 2021.

#### 2. Reporting currency

The reporting currency of the Group is RMB. The financial statements of the Group are expressed in RMB.

#### 3. Basis of preparation and principle of measurement

The Group's financial statements have been prepared on an accrual basis. Except for financial assets held for trading, other non-current financial asset, other equity instrument investment and investment properties which are measured at fair value, the financial statements are prepared under the historical cost convention.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***4. Business combination*****(1) Business combination involving entities under common control***

In a business combination involving enterprises under common control, if the acquirer pays for the business combination in cash, by transferring of non-cash assets or assuming liabilities, net assets in the ultimate controlling party's consolidated financial statements are measured at their carrying amounts of the acquiree at the acquisition date. If the acquirer issues equity instruments for the business combination, the acquirer measures the share capital by the par value of the shares issued. The difference between the original investment costs and the carrying amounts (or the total par value of shares issued) will be adjusted to the capital reserves. If the capital reserves is insufficient to absorb the difference, the remaining amount shall be deducted from retained earnings.

***(2) Business combination involving entities not under common control***

In a business combination involving enterprises not under common control, the combination costs are the aggregate of the fair values of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control over the acquiree at the acquisition date. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree that meet the recognition criteria are measured at their fair value. The Company shall recognize the difference of the combination costs in excess of its interest portion in the fair value of the net identifiable assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs less than its interest portion in the fair value of the net identifiable assets acquired from the acquiree in the non-operating income for current period after reassessment.

**5. Basis of preparation of consolidated financial statement*****(1) Determination of the scope of consolidation***

All subsidiaries (including individual entities under the control of the Company) are included in the consolidated financial statements of the Group, including enterprises controlled by the Company, the divisible parts of the invested entities as well as structured entities.

***(2) Uniform accounting policies, balance sheet date and accounting period***

If the subsidiaries adopt different accounting policies or accounting period compared with those of the Company, the Company shall make necessary adjustments on the subsidiaries' financial statements according to its accounting policies or accounting period when the consolidated financial statements are prepared.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***5. Basis of preparation of consolidated financial statement** *(Continued)***(3) The elimination in the preparation of consolidated financial statements**

The consolidated financial statements are prepared based on the individual balance sheet of the Company and its subsidiaries, after elimination of the transactions incurred among the Company and the subsidiaries. The portion of a subsidiary's equity that is not attributable to the Company is treated as "minority interests" and presented in the consolidated balance sheet within equity. The equity investment of the Company held by one subsidiary shall be treated as the Company's treasury shares and a deduction of the Shareholder's equity which is presented as "less: treasury shares" in the consolidated balance sheet within equity.

**(4) The accounting treatment for obtaining subsidiaries through a business combination**

Where a subsidiary or business has been acquired through a business combination involving enterprises under common control in the reporting period, the obtained subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their assets, liabilities, operating results and cash flows are included in the consolidated financial statements from the beginning of the accounting period in which the acquisition occurred. Where a subsidiary or business has been acquired through a business combination not involving enterprises under common control, their individual financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date when preparing the consolidated financial statements.

**6. Joint arrangement classification and joint operations accounting treatments****(1) The classification of joint arrangement**

Joint arrangements are classified as joint operations or joint ventures. A joint arrangement will be classified as joint operation when the joint arrangement achieves not through an individual entity. Individual entity is an entity with individual identifiable finance structure, including single legal entity and entity unqualified as legal entity but qualified as lawful entity. A joint arrangement is usually classified as joint venture when the joint arrangement achieves through incorporating an individual entity. When changes arising from relevant events or environment cause changes of the cooperative parties' rights and obligations in the joint arrangements, the cooperative parties shall reassess the classification of the joint arrangements.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***6. Joint arrangement classification and joint operations accounting treatments***(Continued)***(2) The accounting treatment of joint operations**

The party participating in joint operations shall recognize the following items relating to its interests in the joint operations and account for them in accordance with related requirements of Accounting Standards for Business Enterprises: Its solely-held assets and solely-assumed liabilities, and its share of any assets and liabilities held jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its own expenses; and its share of any expenses incurred jointly.

The other parties involving in joint operations without common control power shall account for their investments referring to the treatment method of joint operation participants if they are entitled to relevant assets and undertake relevant liabilities of the joint operations, otherwise, they shall account for their investments according to related requirements of Accounting Standards for Business Enterprises.

**(3) The accounting treatment of joint ventures**

The parties participating in a joint venture account for their investment in accordance with Accounting Standards for Business Enterprises No. 2 — Long-term equity investment. And the other parties involving in joint ventures without common control power shall account for their investments according to their influence extent on the joint ventures.

**7. Cash and cash equivalents**

The cash in the Group's statement of cash flows is cash on hand and deposits that can be readily drawn on demand. Cash equivalents in the cash flow statement represent short-term (3 months or less) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***8. Foreign currency****(1) Foreign currency transactions**

The Group records foreign currency transactions in RMB for accounting purpose using the spot exchange rate prevailing on the date when the transactions occur. As at the balance sheet date, monetary items denominated in foreign currency are translated to RMB by adopting the prevailing exchange rate on that date. Foreign exchange difference between the prevailing exchange rate on that date and the prevailing exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss for the current period, except the foreign exchange arising from specific loan denominated in foreign currency qualified as capital expenditure and included in the cost of related assets. Non-monetary items denominated in foreign currency that are measured at historical cost are still translated at amount in functional currency exchanged at the prevailing exchange rate at the transaction date. Non-monetary items denominated in foreign currency that are measured at fair value are translated using the exchange rate at the date when the fair value was determined and the difference between the translated functional currency amount and the prior translated amount on initial recognition or on the previous balance sheet date are recorded in profit or loss for the current period or other comprehensive income.

**(2) The translation of financial statements denominated in foreign currency**

If the Company's controlled subsidiaries, joint ventures and associates etc. adopt different reporting currency, their financial statements denominated in foreign currency shall be translated to financial statements in RMB when preparing consolidated financial statements. The assets and liabilities are translated to RMB amounts using the spot exchange rate at the balance sheet date. Items of the equity, except for "undistributed profit", are translated at the spot exchange rate at the dates on which such items occurred. The revenue and expenditures in the statement of income are translated using the spot exchange rate at the transaction date. The difference arising from foreign currency financial statements translation is presented in other comprehensive income at the consolidated balance sheet within equity. Items of the statement of cash flows are determined by systemic method and translated using the spot exchange rate when they are incurred. Effect arising from changes of exchange rates on cash and cash equivalents is presented separately in the statement of cash flows. When disposing of foreign operations, exchange differences of foreign currency financial statements attributable to the foreign operations are transferred to profit or loss for the current period entirely or in proportion with the disposal portion of the foreign operations.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***9. Financial instruments****(1) Classification and reclassification of financial instruments**

A financial instrument is a contract that forms the financial assets of a party and forms the financial liabilities or equity instruments of other parties.

**1) Financial assets**

The Company will classify its financial assets as financial assets carried at amortised cost if both of the following conditions are met: ① Where the Company's business model for managing financial assets is aimed at collecting contractual cash flows; ② the contractual terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

The Company will classify its financial assets as financial assets at fair value through other comprehensive income if both of the following conditions are met: ① Where the Company's business model for managing financial assets is aimed at both collecting contractual cash flows and selling the financial assets; ② the contractual terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of the principal and interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may, at the time of initial recognition, irrevocably designate it as a financial asset at fair value through other comprehensive income. The designation is based on a single investment and the relevant investment is in line with the definition of the equity instrument from the issuer's perspective.

For those financial assets other than financial assets measured at amortised cost and financial assets at fair value through other comprehensive income, the Company classifies it as financial assets at fair value through profit or loss. At initial recognition, if accounting mismatch can be eliminated or reduced, the Company may irrevocably designate financial assets as financial assets at fair value through profit or loss.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***9. Financial instruments** *(Continued)***(1) Classification and reclassification of financial instruments** *(Continued)*1) Financial assets *(Continued)*

When the Company changes the business model for managing financial assets, all relevant financial assets as affected are reclassified on the first day of the first reporting period after the business model changes, and the reclassification are applied prospectively from the reclassification date. The Company does not retroactively adjust any previously recognized gains, losses (including impairment losses or gains) or interest.

## 2) Financial liabilities

On initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss; financial liabilities at amortised cost. All financial liabilities are not reclassified.

**(2) Measurement of financial instruments**

On initial recognition, the Company's financial instruments are measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, the related transaction expense is directly recognized in profit or loss for the current period. For financial assets or financial liabilities of other classes, the related transaction expense is included in the amount of initial recognition. Accounts receivable or notes receivable arising from sales of goods or rendering services, without significant financing component, are initially recognised based on the transaction price expected to be entitled by the Company. Subsequent measurement of financial instruments depends on their classifications.

## 1) Financial Assets

## ① Financial assets at amortised cost

After initial recognition, such financial assets are measured at amortised cost using the effective interest method. Gains or losses arising from financial assets at amortised cost that are not parts of any hedging relationships are included in profit or loss in the period which they incurred when derecognised, reclassified, amortised or recognised the impairment under the effective interest method.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***9. Financial instruments** *(Continued)***(2) Measurement of financial instruments** *(Continued)*1) Financial Assets *(Continued)*

## ② Financial assets at fair value through profit or loss

After initial recognition, gain or loss (including interest and dividend income) arisen from subsequent measurement of the financial assets (excluding the financial assets are parts of the hedging relationships) at fair value is included in profit and loss in the period which they incurred.

## ③ Debt instruments investment at fair value through other comprehensive income

After initial recognition, such financial assets are subsequently measured at fair value. Interest, impairment loss or gain and exchange gain and loss calculated using the effective interest method is included in profit or loss in the period which they incurred, and other gains or losses are recognised in other comprehensive income. When derecognised, the accumulated gains or losses previously recognised in other comprehensive income are transferred out from other comprehensive income and included in profit or loss in the period which they incurred.

## ④ Investment in non-trading equity instruments designated at fair value through other comprehensive income

After initial recognition, such financial assets are subsequently measured at fair value. Except that dividend income received (excluding the parts recovered as investment costs) is included in profit or loss, and other relevant gains or losses are included in other comprehensive income, and would not be transferred to profit or loss in the period.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***9. Financial instruments** *(Continued)***(2) Measurement of financial instruments** *(Continued)*

## 2) Financial Liabilities

## ① Financial liabilities at fair value through profit or loss

Such financial liabilities include financial liabilities for trading purpose (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. After initial recognition, the financial liabilities are subsequently measured at fair value. Except for those involving the hedge accounting, the gains or losses (including interest expenses) arising from changes in fair value of financial liabilities for trading purpose are included in profit or loss in the period which they incurred.

The changes in fair value of financial liabilities designated at fair value through profit or loss that are attributable to changes of that financial liabilities' credit risk to be recognised in other comprehensive income, while other changes in fair value are included in profit or loss in the period. If the inclusion of the impact of changes in credit risk of such financial liabilities causes or increases the accounting mismatch of profit or loss, the Company will include all gains or losses of such financial liabilities in profit or loss in the period.

## ② Financial liabilities at amortised cost

After initial recognition, such financial liabilities are measured at amortised cost by using the effective interest method.

**(3) Recognition method of financial instruments' fair value**

For financial assets or financial liabilities in active markets, the Company uses the quoted prices in active markets to determine their fair value. If there is no active market, the Company uses valuation techniques to determine their fair value. The valuation techniques mainly include market approach, income approach and cost approach. In limited cases, if there is insufficient information used to determine the fair value, or if the range of possible estimated fair values is broad, and the cost represents the best estimate of the fair value in such a range, then such costs can represent the proper estimate of the fair value in that range. The Company determines whether the cost represents the fair value based on all information in relation to the results and operations of the investees available since the date of initial recognition.

(Amounts expressed in thousands of RMB unless otherwise stated  
in the notes to the financial statements)

For the six months ended 30 June 2021

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

*(Continued)*

### 9. Financial instruments *(Continued)*

#### *(4) Recognition and measurement of transfer of financial assets and financial liabilities*

Financial assets

Financial assets of the Company are derecognised where: ① the contractual rights to receive cash flows from such financial assets have suspended; ② the Company has transferred substantially all the risks and rewards associated with ownership of such financial assets; ③ the Company has neither transferred nor retained substantially all the risks and rewards associated with ownership of such financial assets, and has not retained control of such financial assets.

In the case that the Company has neither transferred nor retained substantially all the rewards associated with ownership of such financial assets and has not retained control of such financial assets, the Company will continue to recognise such financial assets according to the extent of transfer of such financial assets, and will recognise relevant liabilities accordingly.

When the transfer of financial assets as a whole qualifies for derecognition, the Company will include the difference of the following two amounts in profit or loss in the period: ① the carrying amount of the transferring financial asset on the derecognition date; ② the sum of the consideration obtained from transferring the financial asset, and the amount of derecognised part in the accumulated changed amount of fair value directly included in other comprehensive income (the related transferring financial assets are the financial assets at fair value through other comprehensive income).

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***9. Financial instruments** *(Continued)***(4) Recognition and measurement of transfer of financial assets and financial liabilities** *(Continued)***Financial assets** *(Continued)*

When a partial transfer of financial assets qualifies for derecognition, the carrying amount of the transferring financial asset is allocated between the part that subjects to and the part not subject to derecognition, in proportion to the respective fair values of those parts. The difference between: ① the carrying amount of the part derecognised; ② the sum of the consideration obtained from the part derecognised and the cumulative changed amount of fair value for the part derecognised (the related transferring financial assets are classified as the financial assets at fair value through other comprehensive income) is included in profit or loss in the period.

When derecognising the investment in non-trading equity instruments at fair value through other comprehensive income designated by the Company, the accumulated gains or losses previously included in other comprehensive income are transferred out from other comprehensive income and included in retained earnings.

**Financial liabilities**

Once the present obligation of financial liabilities (or parts of them) has been lifted, financial liabilities (or parts of them) of the Group has been derecognised.

The difference between the carrying amount of financial liabilities (or parts of them) and consideration paid (including transferred non-cash assets or liabilities) is recognised in profit or loss, when financial liabilities (or parts of them) are derecognised.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***10. Determination and accounting treatment methods of expected credit loss**

Based on the expected credit loss, the Company made the impairment accounting for financial assets at amortised cost (including notes receivable and accounts receivable, other receivables), debt investments at fair value through other comprehensive income, rental receivable and contract assets, and recognised the provision for such losses.

The Company assesses whether the credit risk of relevant financial instruments since its initial recognition is significantly increased on each balance sheet date, and divides the process of credit impairment of financial instruments into three stages, with different accounting treatment methods for impairment of financial instruments in different stages: (1) first stage, where the credit risk of financial instruments is not significantly increased since its initial recognition, the Company measures the provision for loss based on the expected credit loss of such financial instruments in the next 12 months, and calculates the interest income based on its book balance (that is, without deduction for credit allowance) and effective interest; (2) second stage, where the credit risk of financial instruments is significantly increased since its initial recognition but no impairment of credits existed, the Company measures the provision for loss based on the expected credit loss of such financial instruments in the lifetime, and calculates the interest income based on its book balance and effective interest; (3) third stage, where impairment of credits existed since its initial recognition, the Company measures the provision for loss based on the expected credit loss of such financial instruments in the lifetime, and calculates the interest income based on its amortised cost (book balance minus provision made for impairment) and effective interest.

***(1) Method of measuring loss allowance for financial instruments with lower credit risk***

For financial instruments with lower credit risk as at the balance sheet date, the Company may not make a comparison with the credit risk at the time of initial recognition, but directly make the assumption that the credit risk of the instrument has not increased significantly since initial recognition.

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***10. Determination and accounting treatment methods of expected credit loss***(Continued)***(2) Method of measuring loss allowance for accounts receivable, contract assets and rental receivable**

- 1) Accounts receivable and contract assets without containing significant financing elements. For accounts receivable or contract assets without containing significant financing elements arising from the transactions regulated under the Accounting Standards for Business Enterprises No. 14 — Revenue, the Company adopts a simplification approach which always measures the provision for loss based on the expected credit loss in the lifetime.

Based on the nature of financial instruments, the Company assesses whether credit risk has increased significantly on the basis of a single financial asset or combination of financial assets. According to the credit risk characteristics, the Company divides the notes receivable and accounts receivable into several combinations, and calculates the expected credit losses on a combined basis. The basis for determining the combination is as follows:

Accounts receivable group 1	: Aging portfolio customers
Accounts receivable group 2	: Related party customers
Notes receivable group 1	: Bank acceptance bill
Notes receivable group 2	: Trade acceptance bill
Contract assets group 1	: Third-party customers
Contract assets group 2	: Related party customers

For accounts receivable designated to a group, the Company makes the comparison of trade receivables overdue days and full lifetime expected credit losses rate to calculate the expected credit losses by taking into account the historical credit losses experience, and the existing and forecast of future economic conditions. For bills receivable and contract assets designated to a combination, the Company applies exposure at default and lifetime expected credit losses rate to calculate the expected credit losses by taking into account the historical credit losses experience and the existing and forecast of future economic conditions.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***10. Determination and accounting treatment methods of expected credit loss***(Continued)***(2) Method of measuring loss allowance for accounts receivable, contract assets and rental receivable** *(Continued)*

- 2) Accounts receivable, contract assets and rental receivable containing significant financing elements

For accounts receivable or contract assets containing significant financing elements and lease receivable regulated by the Accounting Standards for Business Enterprises No. 21 — Lease, the Company measures loss provision based on general approach, i.e. “three stages” model.

**(3) Method of measuring loss provisions for other financial assets**

For financial assets other than those mentioned above, e.g. debt investment, other debt investment, other receivables, long-term receivables other than rental receivable, etc., the Company measures loss provisions with the general method, i.e. the “three-stages” model.

The Company divides other receivables into several groups based on the nature of the payment and calculates the expected credit loss on the basis of the group. The basis for determining the group is as follows:

Other receivables group 1: Margins, deposits, petty cash, etc.

Other receivables group 2: Related party payments

Other receivables group 3: other current payments

**(4) Related party payments**

There is a special relationship between the related parties and the Company (such as intergroup related parties, jointly controlled entities and associates) where the difference between the present value of future cash flows and their carrying amount is expected to be minimal, the accounts receivable are generally not made for provision of bad debt. However, if there is concrete evidence indicating that a related party who is a debtor of the company the registration of which is revoked, bankrupt, insolvent, or in serious shortage of cash flows and has no intention to undergo debt restructuring in respect of such receivables or the receivables cannot be otherwise collected, provision for bad debts should be made for the part that is expected to be possibly collected. If the entire amount due from a related party is not expected to be recovered, bad debt provision for the entire amount may be made.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

### 10. Determination and accounting treatment methods of expected credit loss

(Continued)

#### (5) Margins, deposits and petty cash and other payments

The accounts receivable include items such as rental deposits, purchase deposits, petty cash and amount subsequently received. Generally, no bad debt provision is made for such accounts receivable. However, if there is objective evidence indicating that impairment existed in such kind of accounts receivable, the Company will make individual provision for bad debts and write-down of its carrying amount to recoverable amount.

#### (6) Accounting treatment methods of expected credit losses

In order to reflect the changes in the credit risk of financial instruments since its initial recognition, the Company re-measures the expected credit loss on each balance sheet date, and the increase or reversal of the loss provision resulting therefrom shall be deemed as impairment loss or gain to be included in profit and loss in the current period, and based on the types of financial instruments, offsetting against the carrying amount of the financial asset shown on the balance sheet or included in estimated liabilities (loans commitment or financial guarantee contracts) or included in other comprehensive income (investment in equity at fair value through other comprehensive income).

### 11. Inventory

Inventories of the Group mainly include goods in stock.

The Group maintains a perpetual inventory system. Inventories are recorded at actual cost of purchase when received. Actual cost is calculated using weighted average method when the inventories are consumed or issued. Low-value consumables are amortised in full when received for use.

At the end of the period, inventories are stated at the lower of costs and net realisable value. Where the inventories are expected not to be recoverable as they become damaged, partially or wholly obsolete or whose selling price is lower than its cost, provision for inventory impairment is made for the excess of its cost and net realisable value.

Net realisable value of the available-for-sale finished goods are determined by its estimated selling price less estimated selling expenses and related taxes.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***12. Contract assets and contract liabilities****(1) Contract assets**

A contract asset is the Company's right to receive consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. The provision for impairment of contract assets shall refer to the expected credit loss of financial instruments. For contract assets that do not contain significant financing components, the Company adopts a simplified method to measure provision for loss. For contract assets that contain significant financing components, the Company uses general methods to measure provision for loss.

If there is an impairment loss on contract assets, the Company will debit "asset impairment loss" and credit "provision for impairment of contract assets" based on amounts to be written down; if there is a reversal on provision for asset impairment which has been provided, the Company makes the opposite accounting record.

**(2) Contract liabilities**

The obligation of the Company to transfer goods or to provide services for consideration received or to be received is presented as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net amount basis by the Company.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***13. Long-term equity investment****(1) Determination of initial investment cost**

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the acquirer's share of the carrying amount of the owners' equity in the acquiree at the acquisition date. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition determined at the date of acquisition. For a long-term equity investment acquired in cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued. For a long-term equity investment acquired by debt restructuring, the initial investment cost is determined according to related requirements of Accounting Standards for Business Enterprises No.12 — Debt Restructuring. For a long-term equity investment acquired by exchange of non-cash assets, the initial investment cost shall be determined according to related accounting standards.

**(2) Subsequent measurement and recognition of profit or loss**

Where the Company is able to exercise control over an investee, the long-term equity investment is accounted for using the cost method. Where the Company has investments in associates and joint ventures, the long-term equity investment is accounted for using the equity method. Where portion of the long-term equity investment in an associate is indirectly held through venture capital organizations, mutual funds, trust companies or similar entities including investment-linked insurance funds, regardless of whether these entities can exercise significant influence on the investments, the Company shall measure the indirectly held portion at fair value through profit or loss and accounted for the remaining portion using the equity method according to Accounting Standards for Business Enterprises No. 22 — Financial Instrument Recognition and Measurement.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***13. Long-term equity investment** *(Continued)***(3) Basis for recognition of joint control or significant influence over an investee**

Joint control of an investee is that the decision of activities that can significantly affect the arrangement's return must require the unanimous consent of the parties sharing control, including sale and purchase of goods or services, financial assets management, purchase and disposal of assets, research and development activity and financing activities etc. The Company holding of 20%–50% voting capital of the investee presents it can exercise significant influence over the investee. The Company usually can exercise significant influence over the investee even its voting capital less than 20% if it can meet one of the following situations: a) Appointing representatives in the board of directors or similar governing body of the investee; b) Participating in the strategy and policy decision process; c) Delegating management personnel; d) The investee relying on the Company's technique or technical material; e) Significant transactions occur between the Company and the investee.

**14. Investment properties**

The investment properties of the Group are buildings leased for rental income.

Investment property is measured at cost. The cost for investment properties purchased from outsiders includes purchase price, related taxes and other expenses directly related to the assets. The cost of investment properties constructed by the Group includes the required construction expenses incurred to bring the assets to the condition of intended use.

Investment properties of the Group are subsequently measured using fair value model. Gain or loss on changes in fair value of investment properties is recognized directly in profit or loss for the current period.

The fair value of the investment properties of the Group are determined by the management of the Group on an open market basis by reference to properties of the same location and similar usage.

Where an investment property is changed for owner-occupied purpose, it is transferred to a fixed asset or intangible asset at the date of the change. Where the owner-occupied property is changed for earning rentals or for capital appreciation, the fixed asset or intangible asset is transferred to an investment property at the date of the change. On conversion, the carrying amount immediate before conversion is taken as the cost of the asset.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***14. Investment properties** *(Continued)*

An investment property is derecognized on disposal or retirement when it is expected that there shall be no economic benefit through disposal. Where the investment properties are sold, transferred, retired or damaged, the proceeds from disposal after deducting the carrying amount and related taxes are recognized in profit or loss for the current period.

**15. Fixed assets**

Fixed assets of the Group are tangible assets that are held for the purpose of producing goods, rendering services, leasing or operation and management. The useful lives of fixed assets are more than one year.

Fixed assets consist of buildings, plant and machinery, motor vehicles, office equipment and others. The cost for fixed asset is measured at cost at the time when it is acquired. The cost of fixed asset purchased from outsiders includes purchase prices, import tax and other related taxes and other expenses incurred to bring the assets to the condition of intended use. The cost of fixed asset constructed by the Group includes the required expenses incurred to bring the assets to the condition of intended use. The fixed asset acquired by an investor is measured at the agreed considerations as specified in the investment contracts or agreements, or the fair value where the agreed consideration as specified in the contracts or agreements is not justified. The fixed asset acquired under a finance lease is measured at the lower of their fair values and the present value of the minimum lease payment at the date of inception of the leases.

Subsequent expenditures incurred for a fixed asset, such as maintenance expenses, renovation and improvement expenses are included in the cost of fixed asset when they meet the recognition criteria of a fixed asset, and the carrying amount of the replaced parts is derecognized. The subsequent expenditures incurred for a fixed asset are recognized in profit or loss for the current period in which they are incurred when they do not meet the criteria of a fixed asset.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

*(Continued)*

**15. Fixed assets** *(Continued)*

Depreciation is provided for all fixed assets, except for the assets that are fully depreciated and remain in use. Fixed assets are depreciated using the straight-line method to measure the cost or expenses of the assets for the current period based on the usage of the assets. The useful lives, estimated residual values and depreciation rate of each type of the fixed asset of the Group are as follows:

Category	Useful Life (years)	Estimated residual value rate (%)	Annual depreciation (%)
Buildings	20	0.00	5.00
Plant and Machinery	10	0.00	10.00
Motor vehicles	5	0.00	20.00
Office equipment	5	0.00	20.00
Electronic equipment	3	0.00	33.00

The Group re-assesses the estimated useful life and estimated net residual value of a fixed asset and the depreciation method at the end of each financial year. Any changes will be dealt with as changes on accounting estimates.

A fixed asset is derecognized on disposal or it is expected that there shall be no economic benefit arising from using or after disposal. Where the fixed assets are sold, transferred, retired or damaged, the income received after disposal after deducting the carrying amount and related taxes are recognized in profit or loss for the current period.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***16. Intangible assets**

Intangible assets of the Group, including land use rights, operation rights and software, are recognized at actual cost at the time of acquisition. The actual cost of the purchased intangible assets is measured at the actual payment and other related expenses. The actual cost of intangible assets acquired by an investor is measured at the agreed considerations as specified in the investment contracts or agreements. In case of where the agreed consideration of the contracts or agreements is not justified, the assets are measured at fair value.

Land use rights are evenly amortised over their lease terms from the date of transfer. Other intangible assets are evenly amortised on the basis of the shortest of their estimated useful lives, the number of beneficial years as stipulated by contract and by law.

Amortisation amount is included in the cost of related assets and profit or loss for the current period based on the beneficiary of the assets.

The estimated useful lives and amortization method of intangible assets with finite useful lives are re-assessed at the end of each financial year. Any changes will be dealt with as changes on accounting estimates. The estimated useful lives of intangible assets with indefinite infinite useful lives are reviewed in each accounting period. Where there is objective evidence to prove that the useful life of an intangible asset is finite, the Company shall estimate the useful life and amortise that intangible asset over its estimated useful life.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***17. Impairment of long-term assets**

At each balance sheet date, if there are impairment indications for the long-term assets including long-term equity investments, investment property subsequently measured at cost model, fixed assets, construction in progress, productive biological assets measured at cost, oil and gas assets, intangible assets, goodwill, etc., the Company shall perform impairment test. If the outcome of impairment test indicates the recoverable amount of the asset is lower than its carrying amount, the Company shall recognize the provision for impairment based on the amount of the shortfall.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The provision for impairment of asset is estimated and recognized on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The asset group is the minimum portfolio of assets that could generate cash inflow independently.

Impairment tests are conducted for goodwill presented in the financial statements separately at least at the end of every accounting year regardless whether there are impairment indications or not. The carrying amount of goodwill arising from business combinations is allocated to relevant asset groups or asset group portfolio. The related impairment loss shall be recognized if the impairment test indicates the recoverable amount of the asset groups or asset group portfolio embodied the goodwill is lower than their carrying amounts. The amount of impairment loss shall firstly be deducted from the carrying amount of goodwill embodied in the asset groups or asset group portfolio, then be deducted from the carrying amounts of other assets based on the proportions of their carrying amounts in the asset group or asset group portfolio.

The impairment losses of assets will not be reversed in subsequent periods once they are recognized.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***18. Goodwill**

Goodwill is the amount at the acquisition date or purchasing date, of the equity investment cost or cost of business combination not involving enterprises under common control, that exceeds the acquirer's interest in the fair value of the investees' or acquiree's identifiable net assets.

Goodwill relating to subsidiaries is presented in consolidated financial statements as a separate item. Goodwill relating to associates and jointly controlled entities is included in the carrying amount of the long-term equity investment.

**19. Long-term deferred expenses**

Long-term deferred expenses of the Group are expenditures such as property renovation cost, which has incurred but shall be undertaken in more than 1 year of amortization period (not including 1 year) of the current and future periods. They are amortized evenly over the estimated benefit period. If one long-term deferred expense can't benefit the Company in the subsequent periods, the remaining balance of the long-term deferred expense shall be recognized as expense in profit or loss for the current period.

**20. Employee benefits****(1) Short-time employee benefits**

In the accounting period in which employees have rendered services, the Company recognizes the employee benefits as liability, and charges to profit or loss for the current period, or includes in the cost of relevant assets in accordance with other accounting standards. Welfare benefits are charged to profit or loss for the current period or included in the cost of relevant assets when incurred. Welfare benefit in non-monetary forms is measured at fair value. In the accounting period in which employees have rendered services, the Company recognizes the social security contributions as liability according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds, and charges to profit or loss for the current period or includes in the cost of relevant assets.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***20. Employee benefits** *(Continued)***(2) Post-employment benefits**

During the accounting period in which employees provide the service, the Company calculates the defined contribution plans payable according to the basis and percentage required by local government, recognized as the liability and charges to profit and loss for current period or includes in the cost of related assets. The Company attributes the obligation incurred by defined benefits plans using the projected accumulated benefit unit credit method to periods in which the employees rendered services and charges the obligation to profit and loss for the current period or includes in the cost of related assets.

**(3) Termination benefits**

Termination benefits provided by the Company to employees are recognized as an employee benefit liability and charged to profit or loss for the current period at the earlier of the following dates: The Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; When the Company recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

**(4) Other long-term employee benefits**

If other long-term employee benefits provided by the Company to the employees meet the conditions for classifying as a defined contributions plan, those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. Besides, net obligations or net assets of other long-term employee benefits are recognized and measured in accordance with the above requirements relating to defined benefits plan.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

### 21. Revenue

The Group has fulfilled its performance obligations of the contract that the revenue is recognised based on the transaction price of such performance obligation when the customers take control of the relevant goods or services. Obtaining the right to control the relevant goods means that it is able to dominate the use of the goods and derive almost all economic benefits therefrom. The performance obligations of the contract refer to the undertaking in the contract that the Company can clearly distinguish between the goods transferred by the Company to the customer. Transaction price means to the consideration that the Group is expected to receive a consideration due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Group expects to return to the customer.

Whether performance obligations are satisfied over time or at a point in time is based on the terms of contracts and related law regulations. If the performance obligations are satisfied over time, the Company will recognise revenue via contract performance schedule, otherwise the Company will recognise revenue at a point in time when the control of relevant assets is obtained by customers.

The business revenues of the Group are mainly generated from sale of advertising spaces and incomes from printing, trading of print-related materials and distribution of newspapers and magazines and consultation service and technical service and rental income. The principles of revenue recognition are as follows:

#### (1) Revenue from sale of advertising spaces

Revenue from advertising spaces is generally recognized pro-rata over the period in which the advertisement is published (net of VAT). Sales of advertising spaces, with award credits generating from customers, are accounted for as multiple-element revenue transactions and the fair value of the consideration received or receivable is allocated between the advertising spaces sold and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value, which is the fair value of the award credits exchangeable of advertising space. Such consideration is not recognized as revenue at the time of the commencement of the sale transaction, but is deferred and recognized as revenue when such award credits are redeemed and the Group's obligations have been fulfilled.

#### (2) Revenue from printing

Revenue from printing, net of VAT is recognized when the service is provided.

(Amounts expressed in thousands of RMB unless otherwise stated  
in the notes to the financial statements)

For the six months ended 30 June 2021

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

### 21. Revenue (Continued)

#### (3) Revenue from trading of print-related materials and distribution of newspapers and magazines

Revenue from trading of print-related materials and distribution of newspapers and magazines, net of VAT, is recognized when the customer has obtained control of relevant goods or services, which generally coincides with the time when the goods are delivered to customers and the title has passed.

#### (4) Revenue from consultation service

Consultation service income is recognized when the services are provided.

#### (5) Revenue from technical service

Revenue from technical service is recognized when the services are provided.

#### (6) Revenue from rental income

Rental income is recognized in accordance with the Group's accounting policy for lease (see Note V.25).

### 22. Contract cost

Contract cost includes the incremental cost happened for obtaining the contract and the contract performance cost. The incremental cost happened for obtaining the contract (the "contract obtaining cost") refers to the cost which will not occur if the contract is not obtained. Where the cost is expected to be recovered, the Company considers it as the contract obtaining cost and recognises it as an asset.

Where the cost happened for performing the contract does not fall into the scope of inventories and other accounting standards for business enterprises and meets the following conditions at the same time, the Company considers it as the contract performance cost and recognises it as an asset:

- (1) The cost is directly related to a current contract or a contract expected to be obtained, including direct labor, direct materials, manufacturing fees (or similar fees), the cost set to be assumed by users and other costs arising merely from the contract;
- (2) The cost increased the resources of the Company to be used for performing the performance obligations in the future;
- (3) The cost is expected to be recovered.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***22. Contract cost** *(Continued)*

The assets with the contract obtaining cost recognised and the assets with the contract performance cost recognised (hereafter referred to as the “contract cost related assets”) are amortized on the same basis as the recognition of revenue on commodities related to the asset and are included in the current profit or loss. The amortization period for the assets from the incremental cost on obtaining the contract shall be no more than one year and shall be included in the current profit or loss after happened.

When the carrying value of the contract cost-related assets is higher than the difference between the following two items, the impairment provisions for the excess shall be made and shall be recognised as losses on assets impairment:

- (1) The remaining consideration expected to be obtained from transfer of commodities related to the asset;
- (2) The cost estimated to incur for the transfer of such commodities.

**23. Government grants****(1) Category and accounting treatment of government grants**

Government grants are the monetary assets and non-monetary assets received from the government without consideration (excluding the capital invested by the government as the owner). As monetary assets, government grants are measured based on the actual received or receivable amounts. As non-monetary assets, government grants are measured based on their fair value; if the fair value cannot be estimated reliably, it will be measured based on the nominal amount.

Government grants related to daily activities are included in other income according to the substance of the economic activities. Government grants unrelated to daily activities are included in non-operating income and expenditure.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***23. Government grants** *(Continued)***(1) Category and accounting treatment of government grants** *(Continued)*

The government grants which are clearly defined in the government documents to be used for acquisition, construction or other projects that forms a long-term asset are recognized as asset-related government grants. Regarding the government grant that is not clearly defined in the government documents and can form long-term assets, the part of government grant which can be referred to the value of the assets is classified as government grant related to assets and the remaining part is government grant related to income. For the government grant that is difficult to distinguish, the entire government grant is classified as government grant related to income. Any government grants related to assets are recognized as deferred income, the amount of which shall be recorded in the current profit or loss in installments with a reasonable and systematic method over the useful lives of relevant assets.

The government grants other than those related to assets are recognized as government grants related to income. The income-related government grants used to compensate relevant expenses or losses to be incurred by the enterprise in subsequent periods are recognized as deferred income and recorded in profit and loss for the current period when such expenses are recognized while those used to compensate relevant expenses or losses that have been incurred by the enterprise are recorded directly in profit or loss for the current period.

Where the Company obtains an interest subsidy for policy-related preferential loans, the government either appropriates an interest subsidy to the lending bank, allowing the latter to provide loans at a preferential interest rate to the Company who shall recognize the loan amount received as the book entry value of such loans, and calculate the relevant loan expenses according to the loan principal and the preferential interest rate; or the government directly appropriates an interest subsidy to the Company who shall use the interest subsidy to offset relevant loan expenses.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***23. Government grants** *(Continued)***(2) The recognition time point for government grants**

The governmental grants would be recognized upon satisfaction of the conditions attached and such amount of grants is sure to be received. Specifically, the governmental grants measured at the amount receivable will be recognized when there is unambiguous evidence suggesting the conformance to related conditions as provided in financial support policies and financial support fund is expected to be received at the end of financial year. Other government grants other than those measured at the amount receivable will be recognized at the actual time of receiving such grants.

**24. Deferred tax asset and deferred tax liability**

Temporary differences arising from the difference between the carrying amount of an asset or liability (asset or liability not recognized in the balance sheet but the tax base is ascertained by the current tax laws and regulation, the tax base is the temporary difference) and its tax base is recognized as deferred tax calculating by the effective tax rate in the expected period to receive the asset or discharge the liability.

Deferred tax assets are recognized for deductible temporary differences to the extent that taxable profit will probably be available against which the deductible temporary differences can be utilized and should be recognized for deductible loss or tax reduction that could be carried forward in subsequent periods to the extent that taxable income will probably be available against which deductible loss or tax reduction can be utilized. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced.

The taxable temporary differences associated with investments in subsidiaries and associates shall be recognized deferred tax liability; except the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The deductible temporary differences associated with investments in subsidiaries, associates, the corresponding deferred tax asset is recognized when it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***25. Lease****(1) The accounting treatment for lessee**

At the beginning of the lease term, the Company recognizes the right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and depreciation and interest expenses are recognised during the lease term.

The company uses the straight-line method in each period of the lease term to include lease payments for short-term leases and leases of low-value assets into current expenses.

**1) Right-of-use assets**

The right-of-use assets refer to the right of the lessee to use the leased asset during the lease term. On the commencement date of the lease term, right-of-use assets are initially measured at cost. The cost includes: ① the amount of the initial measurement of the lease liability; ② the lease payment made on or before the commencement date of the lease term, less any lease incentive received if any; ③ the initial direct costs incurred by the lessee; ④ an estimate of costs to be incurred by the lessee in dismantling and removing the leased assets, restoring the site on which it is located or restoring the leased asset to the condition required by the terms and conditions of the lease.

The depreciation for right-of-use assets of the Company is categorized and provided using the average life method. For those leased assets which can be reasonably determined that their ownership will be acquired at the expiration of the lease term, depreciation will be provided within the estimated remaining useful life of the leased assets; for those which cannot be reasonably determined that their ownership will be acquired at the expiration of the lease term, depreciation will be provided within the shorter of the lease term and the remaining useful life of the leased assets.

The Company determines whether the right-of-use assets have been impaired and are accounted for in accordance with the relevant provisions under the Accounting Standards for Business Enterprises No. 8 — Asset Impairment.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***25. Lease** *(Continued)***(1) The accounting treatment for lessee** *(Continued)***2) Lease liabilities**

Lease liabilities are initially measured based on the present value of outstanding lease payment on the commencement date of the lease term. Lease payment includes: ① fixed payments (including in-substance fixed payments), less any relevant lease incentives if any; ② variable lease payments subject to an index or a rate; ③ estimated payables based on the residual value of the guarantee provided by the lessee; ④ the exercise price under the purchase option if the lessee is reasonably certain to exercise; ⑤ payments for exercising the option of termination of a lease if the lease term reflects the lessee exercising the option to terminate.

The Company uses the inherent interest rate of the lease as the discount rate; if the inherent interest rate of the lease cannot be determined, the incremental borrowing interest rate of the Company should be used as the discount rate. The Company calculates the interest expenses of lease liabilities for each period over the lease term based on the fixed periodic rate, and recognises them in financial expenses. Such periodic rate is the discount rate or revised discount rate adopted by the Company.

The variable lease payments not included in the measurement of lease liabilities are recognized in the current profit and loss when they actually occur.

If there are any changes in the Company's evaluation of the lease renewal option, the lease termination option or the purchase option, the lease liabilities shall be remeasured at the present value calculated based on the changed lease payments and the revised discount rate, and the book value of the right-of-use assets shall be adjusted accordingly. If there are any changes in actual lease payments, the estimated payables of guaranteed residual value or the variable lease payments subject to an index or a rate, the lease liabilities are re-measured at the changed lease payments and the present value calculated at the original discount rate, and the book value of the right-of-use assets shall be adjusted accordingly.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***25. Lease** *(Continued)***(2) Accounting treatment of leased assets**

- 1) Accounting treatment of operating leases  
During each period of the lease term, the Company uses the straight-line method to recognise the lease payments from operating leases as rental income. The initial direct costs incurred by the Company in relation to the operating leases are capitalised, and are accounted for in current income based on the same recognition basis as the rental income during the lease term.
- 2) Accounting treatment of finance leases  
At the commencement date of the lease term, the Company recognizes the difference between the sum of finance lease receivables and the unguaranteed residual value, and the present value thereof as unrealized finance income, and recognizes the same as rental income over the periods when rent is received in the future. The Company's initial direct costs associated with rental transactions shall be included in the initial measurement of the finance lease receivables.

**26. Held-for-sale and discontinued operations**

Non-current assets or disposal groups are classified as held-for-sale assets when all the following conditions are met: a) the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); b) the sale must be highly probable, i.e. the Company has signed an irrevocable transfer agreement with the transferee and the transfer is expected to be completed within one year. If related regulations require pre-approval for the sale, the sale transaction has been approved.

When a non-current asset (or disposal group) classified as held for sale is initially measured or re-measured at each balance sheet date, if the book value of the non-current asset (or disposal group) is higher than its fair value, the difference will be deducted from the book value and recognized as impairment provision of held for sale in the profit and loss for current period.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***26. Held-for-sale and discontinued operations** *(Continued)*

Non-current asset (or disposal group) classified as held-for-sale asset will be presented as held-for-sale assets and the liabilities in the disposal group will be presented as held-for-sale liabilities in the balance sheet.

A discontinued operation is a clearly distinguished component of an entity, that either has been disposed of, or is classified as held for sale, and meets any of the following criteria:

- 1) represents a separate major line of business or geographical area of operations;
- 2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- 3) is a subsidiary acquired exclusively with a view to resale.

**27. Accounting for income tax**

Income tax is accounted for using liability method. Income tax expenses represent the sum of current tax and deferred tax. Current tax and deferred tax relating to the transactions and matters that are directly recorded in shareholders' equity are dealt with in shareholders' equity. Deferred tax arising from a business combination is adjusted to the carrying value of goodwill. Expenses or income of all other current tax and deferred tax are recognized in the profit or loss for the period.

The current income tax payable is the amount of tax payable to the taxation authority by the enterprises in respect of the transactions and matters of the current period calculated according to the taxation regulations. The deferred income tax is the difference between the balances of the deferred income tax assets and deferred income tax liabilities that should be recognized using the balance sheet liabilities approach at the end of the period and their balances originally recognized.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***28. Segment information**

Operating segments of the Group are identified based on internal organization structure, management requirements and internal reporting policies. The reporting segments are determined based on operating segments. An operating segment represents a component of the Group that satisfied the following criteria simultaneously: (1) the component engages in business activities from which it may earn revenues and incur expenses; (2) whose operating results are regularly reviewed by the Company's management to make decisions on resources to be allocated to the segments and assess its performance; (3) financial information of the segments such as financial position, operating results and cash flow is available to the Company.

The price of intra-segment transactions is determined by market rates. Expenses, other than those which are unable to allocate reasonably, are allocated between segments in proportion with their revenue.

**29. Key accounting estimates and judgments**

In the application of the Group's accounting policies, the Directors of the Company are required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized for the period in which the estimate is revised if the revision affects only that period or for the current and future periods if the revision affects both periods.

The followings are the key assumptions on the future and other key sources of estimation uncertainty at the end of the reporting period, that is probable to cause a material adjustment to the carrying amounts of assets and liabilities of the next financial year.

**(1) Building ownership**

Certain buildings of the Group have not been granted with Building Ownership Certificates by relevant government authorities. In the opinion of the directors of the Company, the absence of Building Ownership Certificates of these buildings will not impair the value of the buildings and investment properties of the Group.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***29. Key accounting estimates and judgments** *(Continued)***(2) Depreciation of fixed assets**

Fixed assets are depreciated on a straight-line basis over their estimated useful lives and estimated residual values. The determination of the useful lives and residual values involve the estimates of the management. The Group assesses annually the residual value and useful life of the fixed asset and if the expectation differs from the original estimate, such a difference may affect the depreciation charge in the interim of the year and in the future period.

**(3) Fair value of investment properties**

Investment properties are measured at fair value estimated by the management. The management will determine the fair value on an open market basis by reference to properties of the same location and condition. Should there are any changes in assumptions due to the change in market condition, the fair value of the investment properties will be adjusted accordingly.

**(4) Allowance for bad debts of account receivables and other receivables**

The Company assesses expected credit loss of account receivables by using the probability of default of account receivables as the weight factor with reasonable and supportable information of past events, current reference conditions, and forecast for future economic conditions. When determining the expected credit loss rate, the Company refers to the experience of historical credit loss, and makes adjustments considering the current situation and forward-looking information, which is measured with indicators including the risk of economic downturn, external market environment, industrial risks and customers.

**(5) Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES***(Continued)***29. Key accounting estimates and judgments** *(Continued)***(6) Fair value of customer loyalty program**

The Group has a customer loyalty program for certain advertising customers. Accordingly, if the accumulated advertisement fee spent by such customers on the Group's publications reaches a certain level over a specified period of time, they will be given a discount coupon or an advertising space free of charge. A portion of customers' revenue attributable to the award credits is deferred and recognized when the coupons or advertising spaces have been redeemed or have expired. The deferment of revenue is estimated based on historical redemptions, which is then used to project the expected utilization of these rewards. Any remaining unutilized rewards are recognized as deferred revenues.

**(7) Impairment of interests in jointly controlled entities and associates**

The Group tests annually whether the interests in jointly controlled entities and associates have suffered any impairment in accordance with the Group's accounting policy. The entire carrying amount of the investment (including goodwill) is tested as a single asset by comparing the difference of its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. The values in use calculation requires the use of estimates and judgments including estimation of the future cash flows, determination of applicable discount rate, estimation of exchange rate and future industry trends and market condition and makes other assumptions. Changes in these estimates and assumptions could affect the determination of recoverable amount.

**(8) Impairment loss for inventories**

The management of the Group reviews the aging of the inventories at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use or saleable in the market. The management estimates the net realizable value for such items based primarily on the latest invoice prices and current market condition. The Group carries out an inventory review on a product basis at the end of each reporting period and makes allowance for obsolete items. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**VI. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES****1. Changes in accounting policies and their effect**

There were no changes in the Group's accounting policies for current period.

**2. Changes in accounting estimates and their effect**

There were no changes in the Group's accounting estimates for current period.

**VII. TAXES****1. Main taxes categories and tax rates**

Tax category	Tax base	Tax rate
Value added tax	The VAT payable shall be the balance of the output tax for the period after deducting the input tax for the period, and output VAT is calculated based on 13%, 9%, 6%	13%, 9%, 6%
Cultural construction fee	Taxable revenue from advertising	3%
Urban maintenance and construction tax	Value added tax payable	7%
Education surcharge	Value added tax payable	3%
Local education surcharge	Value added tax payable	2%
Enterprise income tax	Taxable income	25%

**2. Significant tax incentives and approval documents**

According to the requirements of "the Central Publicity Department and forwarded by the Ministry of Finance, the State Administration of Taxation and the Publicity Department of the Communist Party of China" (Cai Shui [2019] No. 16) (《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 that completed the transformation prior to 31 December 2018 may continue to be exempted from a five-year enterprise income tax since 1 January 2019.

According to the requirements under the "Announcement of the Ministry of Finance and the State Administration of Taxation on Supporting Policies for Films and Other Industries" (《財政部稅務總局關於電影等行業稅費支持政策的公告》) ([2020] No. 25) and the "Announcement of the Ministry of Finance and the State Administration of Taxation on Continuation the Implementation of Certain Preferential Tax and Fee Policies in Response to the Epidemic" (《財政部稅務總局關於延續實施應對疫情部分稅費優惠政策的公告》) ([2021] No.7), the cultural construction fee will be exempted from 1 January 2020 to 31 December 2021.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. Accounts receivable**

<b>Item</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Accounts receivable	<b>430,985</b>	428,836
Less: Provision for bad debts	<b>383,458</b>	362,074
<b>Net accounts receivable</b>	<b>47,527</b>	66,762

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

<b>Item</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
0-90 days	<b>15,818</b>	13,573
91-180 days	<b>3,199</b>	5,587
181-365 days	<b>3,804</b>	8,732
1-2 years	<b>7,630</b>	10,154
Over 2 years	<b>17,076</b>	28,716
<b>Total</b>	<b>47,527</b>	66,762

The top five accounts receivable as at 30 June 2021 represented 44.23% of the total accounts receivable.

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2. Prepayments

Item	As at 30 June 2021	As at 31 December 2020
Prepayments	1,029	1,171
Less: Provision for bad debts	—	—
<b>Net prepayments</b>	<b>1,029</b>	<b>1,171</b>

The following is an aging analysis of prepayments:

Item	As at 30 June 2021	As at 31 December 2020
Within 1 year	773	849
Over 1 year	256	322
<b>Total</b>	<b>1,029</b>	<b>1,171</b>

The top five prepayments as at 30 June 2021 represented 99.02% of the total prepayments.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**3. Other receivables**

Item	As at 30 June 2021	As at 31 December 2020
Interest receivable	—	—
Dividends receivable	—	—
Other receivables	<b>203,453</b>	203,598
Less: Provision for bad debts	<b>200,148</b>	200,131
<b>Net other receivables</b>	<b>3,305</b>	3,467

- (1) The following is an aging analysis of other receivables (net of provision for bad debts):

Item	As at 30 June 2021	As at 31 December 2020
Within 1 year	<b>1,802</b>	1,713
1–2 years	<b>208</b>	331
2–3 years	<b>71</b>	231
3–4 years	<b>1,180</b>	1,066
Over 4 years	<b>44</b>	126
<b>Total</b>	<b>3,305</b>	3,467

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 3. Other receivables (Continued)

## (2) Other receivables classified by nature

Nature	As at 30 June 2021	As at 31 December 2020
Related-party current account	5,195	5,195
External-party current (Note 1)	122,517	122,599
Consideration of equity transfer (Note 2)	72,320	72,320
Deposit and margin	1,136	500
Reserve funds	1,586	2,980
Others	699	4
<b>Total</b>	<b>203,453</b>	<b>203,598</b>

Note 1: The above external unit current includes RMB107,391 thousand receivable from Beijing Transmedia Co., Ltd. As at 30 June 2021, the provision of impairment was made in full.

Note 2: The above consideration of equity transfer represents RMB72,320 thousand receivable from Beijing Trans-media Co., Ltd. As at 30 June 2021, the provision of impairment was made in full.

- (3) The top five other receivables as at 30 June 2021 represented 95.54% of the total other receivables.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**4. Other current assets**

Item	As at 30 June 2021	As at 31 December 2020
Investment of film projects	—	1,990
VAT utilizable	<b>28,064</b>	29,336
Prepaid income tax	<b>1,291</b>	390
<b>Total</b>	<b>29,355</b>	31,716

**5. Long-term equity investment**

*(1) Types for long-term equity investments*

Type	As at 30 June 2021	As at 31 December 2020
Investments in associates — under equity method	<b>15,142</b>	15,114
Less: Provision for impairment for investments in associates	<b>11,617</b>	11,617
<b>Total</b>	<b>3,525</b>	3,497

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 5. Long-term equity investment (Continued)

## (1) Types for long-term equity investments (Continued)

Investee	Changes in the period									Balance of	
	Balance		Investment			Declaration				impairment	
	as at		gain or loss	Other	Declaration	of cash			provision		
	1 January	Additional	Decrease in	under equity	income	in other	dividend or	Provision for	Balance	as at	
2021	investment	investment	method	adjustment	equity	profit	impairment	Others	2021	2021	
Beijing Leisure Trend Advertising Company Limited ("Leisure Trend")	—	—	—	—	—	—	—	—	—	—	—
Beijing Beiqing Shengda Automobile Service Company Limited ("Beiqing Shengda")	—	—	—	—	—	—	—	—	—	—	—
Beijing Beisheng United Insurance Agency Co., Ltd. ("Beisheng United")	2,111	—	—	24	—	—	—	—	—	2,135	—
BY Times Consulting Co., Ltd. ("BY Times")	—	—	—	—	—	—	—	—	—	—	—
Beijing Beiqing Top Advertising Limited ("Beiqing Top")	—	—	—	—	—	—	—	—	—	—	—
Hebei Jujingcai E-commerce Company Limited ("Hebei Jujingcai")	—	—	—	—	—	—	—	—	—	—	—
Beijing International Advertising Media Group Co., Limited ("International Advertising")	—	—	—	—	—	—	—	—	—	—	10,669
Chongqing Soyang Internet Technology Co., Ltd. ("Chongqing Soyang")	—	—	—	—	—	—	—	—	—	—	948
Beijing Shangyou Network Technology Co., Ltd. ("Shangyou Network")	1,386	—	—	4	—	—	—	—	—	1,390	—
<b>Total</b>	<b>3,497</b>	<b>—</b>	<b>—</b>	<b>28</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,525</b>	<b>11,617</b>

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**5. Long-term equity investment** *(Continued)*

*(2) Investments in associates*

<b>Item</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Unlisted investments, at cost	<b>74,144</b>	74,144
Share of post-acquisition profit	<b>(59,552)</b>	(59,580)
Share of other items of associates	<b>550</b>	550
Provision for impairment	<b>11,617</b>	11,617
<b>Total</b>	<b>3,525</b>	3,497

As at 30 June 2021, for details of the associates of the Group, please refer to “X. Disclosure of Interests in Other Entities” of this note.

**6. Investment in other equity instruments**

*(1) Investment in other equity instruments*

<b>Item</b>	<b>Investment cost</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>	<b>Dividend income recognized for the period</b>
Beijing Keyin Media Culture Co., Ltd.	<b>6,560</b>	<b>46,524</b>	46,524	—
Beiyang Publishing & Media Co., Ltd.	<b>103,000</b>	<b>156,657</b>	156,657	—
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	<b>500</b>	<b>2,746</b>	2,746	—
<b>Total</b>	<b>110,060</b>	<b>205,927</b>	205,927	—

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 6. Investment in other equity instruments (Continued)

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

Type	As at 30 June 2021	As at 31 December 2020
Unlisted equity investments, PRC	205,927	205,927
<b>Total</b>	<b>205,927</b>	<b>205,927</b>

## 7. Other non-current financial assets

(1) Investment in other non-current financial assets

Item	Investment cost	As at 30 June 2021	As at 31 December 2020	Dividend income recognized for the period
Beijing Runxin Dingtai Investment Center (limited partnership)	29,242	35,847	40,332	—
Suzhou Huaying Culture Industry Investment Enterprise (limited partnership)	2,197	2,109	2,685	104
<b>Total</b>	<b>31,439</b>	<b>37,956</b>	<b>43,017</b>	<b>104</b>

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**7. Other non-current financial assets** *(Continued)*

*(2) Other non-current financial assets are analyzed as follows:*

Type	As at 30 June 2021	As at 31 December 2020
Unlisted equity investments, PRC	<b>37,956</b>	43,017
<b>Total</b>	<b>37,956</b>	43,017

**8. Fixed assets**

For the six months ended 30 June 2021, the fixed assets of the Group increased by RMB207 thousand (corresponding period of 2020: RMB82 thousand).

For the six months ended 30 June 2021, the Group disposed of fixed assets with net carrying amount of RMB168 thousand (corresponding period of 2020: RMB506 thousand), resulting in net gain on disposal of fixed assets of RMB2 thousand (corresponding period of 2020: net gain of RMB56 thousand).

For the six months ended 30 June 2021, the depreciation of fixed assets recognized in the income statement is RMB405 thousand (corresponding period of 2020: RMB855 thousand).

**9. Intangible assets**

For the six months ended 30 June 2021, the intangible assets of the Group increased by RMB0 thousand (corresponding period of 2020: increased by RMB0 thousand).

For the six months ended 30 June 2021, the amortization of intangible assets recognized in the income statement is RMB476 thousand (corresponding period of 2020: RMB476 thousand).

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 10. Goodwill

Item	As at 30 June 2021	As at 31 December 2020
Goodwill arising from the acquisition of Beiqing CéCi	47,377	47,377
Less: Provision for impairment	47,377	47,377
<b>Total</b>	—	—

## 11. Other non-current assets

Item	As at 30 June 2021	As at 31 December 2020
Film project prepaid expenses (Note)	24,000	24,000
Less: Provision for impairment	24,000	24,000
<b>Total</b>	—	—

Note: Film project prepaid expenses related to the Company's participation in film and television production of "Oriental King of Soccer" (《東方球王》). The project settlement period exceeds one year. The Company entered into agreements with Qianmen (Beijing) Media Co. Ltd., pursuant to which the Company participated in the production of TV series "Oriental King of Soccer". As at 30 June 2021, the balances of prepaid expenses related to the remaining television projects "Oriental King of Soccer" was RMB24,000 thousand. "Oriental King of Soccer" has not been released.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**12. Breakdown of impairment provision of assets**

Item	As at 1 January 2021	Increase during the period		Decrease during the period		As at 30 June 2021
		Provision	Other transfer- in	Reversal	Other transfer- out	
Provision for impairment of bad debts	562,205	21,401	—	—	—	583,606
Provision for inventory impairment	5,959	—	—	—	1	5,958
Provision for impairment of investments in associates	11,617	—	—	—	—	11,617
Provision for impairment of intangible assets	8,460	—	—	—	—	8,460
Provision for impairment of goodwill	47,377	—	—	—	—	47,377
Provision for impairment of other non-current assets	24,000	—	—	—	—	24,000
<b>Total</b>	<b>659,618</b>	<b>21,401</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>681,018</b>

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 13. Accounts payable

Item	As at 30 June 2021	As at 31 December 2020
Accounts payable	8,906	13,335
<b>Total</b>	<b>8,906</b>	<b>13,335</b>

The following is an aging analysis of accounts payable as at 30 June 2021 presented based on the invoice date:

Item	As at 30 June 2021	As at 31 December 2020
0-90 days	6,236	10,876
91-180 days	53	100
181-365 days	42	60
Over one year	2,575	2,299
<b>Total</b>	<b>8,906</b>	<b>13,335</b>

## 14. Other payables

Nature	As at 30 June 2021	As at 31 December 2020
Current account	22,509	22,812
Margin and deposit	5,376	5,614
Collection and payment for other persons	245	258
Others	1,782	1,660
<b>Total</b>	<b>29,912</b>	<b>30,344</b>

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**15. Non-current liabilities due within one year**

Item	As at 30 June 2021	As at 31 December 2020
Lease liabilities due within one year	<b>164</b>	218
<b>Total</b>	<b>164</b>	218

**16. Other comprehensive income**

Item	As at 1 January 2021	Amount before income tax for the year	Less: other comprehensive income subsequently reclassified into profit or loss in current period	Less: income tax expenses	Amount after tax attributable to the parent company	As at 30 June 2021
1. Other comprehensive income will not be reclassified into profit or loss	95,306	—	—	—	—	95,306
Including: fair value of other investments of equity instruments	95,306	—	—	—	—	95,306
2. Other comprehensive income subsequently reclassified into profit or loss	528	(32)	—	—	(19)	509
Including: Items attributable to investees under equity method subsequently reclassified to profit or loss	550	—	—	—	—	550
Including: Exchange differences from retranslation of financial statement	(22)	(32)	—	—	(19)	(41)
<b>Total other comprehensive income</b>	<b>95,834</b>	<b>(32)</b>	<b>—</b>	<b>—</b>	<b>(19)</b>	<b>95,815</b>

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 17. Total operating income, operating costs

Item	For the six months ended 30 June	
	2021	2020
Principal operating income	98,405	69,748
Other operating income	2,597	4,531
<b>Total operating income</b>	<b>101,002</b>	<b>74,279</b>
Principal operating costs	87,980	62,933
Other operating costs	539	956
<b>Total operating costs</b>	<b>88,519</b>	<b>63,889</b>
<b>Gross Profit</b>	<b>12,483</b>	<b>10,390</b>

Total operating income (which is the turnover of the Group) represents the net amounts received and receivable from sales of advertising layout and goods and rendering of services by the Group to outside customers, less trade discounts during the period.

## (1) Principal operations — by business segment

Item	For the six months ended 30 June			
	2021		2020	
	Operating income	Operating costs	Operating income	Operating costs
Advertising	46,136	37,885	39,517	33,549
Printing	1,677	1,464	1,434	1,252
Trading of print-related materials	50,567	48,538	28,735	28,064
Distribution	25	93	62	68
<b>Total</b>	<b>98,405</b>	<b>87,980</b>	<b>69,748</b>	<b>62,933</b>

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**17. Total operating income, operating costs** *(Continued)*

(2) The sum of operating revenue from the top five customers is RMB30,730 thousand representing 31.27% of principal operating revenue for the six months ended 30 June 2021.

(3) Other operating revenue includes revenue from property rental income of RMB2,470 thousand.

**18. Tax and Surcharges**

Item	For the six months ended 30 June	
	2021	2020
Urban maintenance and construction tax	106	78
Education surcharge	45	33
Local education surcharge	30	5
Property tax	478	762
Others	52	67
<b>Total</b>	<b>711</b>	<b>945</b>

**19. Financial expenses**

Item	For the six months ended 30 June	
	2021	2020
Interest expenses	11	77
Less: Interest income	1,336	1,276
Less: Exchange gain	155	—
Add: Commissions and other expenses	41	49
<b>Total</b>	<b>(1,439)</b>	<b>(1,150)</b>

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 20. Gain on investment

Item	For the six months ended 30 June	
	2021	2020
Share of profit of associates	28	(6,263)
Investment income received from the financial assets at fair value through profit or loss during the holding period	104	—
Investment income received from the disposal of financial assets at fair value through profit or loss	2,183	7,009
Other investment income	207	(969)
<b>Total</b>	<b>2,522</b>	<b>(223)</b>

## 21. Gain/(loss) on the changes in fair value

Item	For the six months ended 30 June	
	2021	2020
Gain on changes in fair value of investment properties	(92)	(10,186)
<b>Total</b>	<b>(92)</b>	<b>(10,186)</b>

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**22. Credit impairment losses**

Item	For the six months ended 30 June	
	2021	2020
Loss from bad debts	(21,401)	(16,204)
<b>Total</b>	<b>(21,401)</b>	<b>(16,204)</b>

**23. Non-operating income**

Item	For the six months ended 30 June	
	2021	2020
Current accounts not payable	240	179
Others	43	9
<b>Total</b>	<b>283</b>	<b>188</b>

**24. Non-operating expenses**

Item	For the six months ended 30 June	
	2021	2020
Compensation and late payment charges	205	42
Others	—	46
<b>Total</b>	<b>205</b>	<b>88</b>

## VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 25. Income tax expenses

#### (1) Income tax expenses

Item	For the six months ended 30 June	
	2021	2020
Current income tax expenses	595	2,158
Deferred income tax expenses	(207)	(929)
<b>Total</b>	<b>388</b>	<b>1,229</b>

#### (2) Current income tax expenses

Item	For the six months ended 30 June	
	2021	2020
Current income tax — PRC	939	1,963
Under-provision in prior years — PRC	(344)	195
<b>Total</b>	<b>595</b>	<b>2,158</b>

No provisions for Hong Kong profits tax of the Group during the period, as there was no profit generated from Hong Kong.

### 26. Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (2020: nil).

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

**27. Cash and cash equivalents**

Item	As at 30 June 2021	As at 31 December 2020
Bank deposits and cash	<b>229,304</b>	240,221
Less: Restricted bank deposits	<b>14,072</b>	44,561
<b>Balance of cash and cash equivalents at the end of the period</b>	<b>215,232</b>	195,660

**IX. CHANGES IN CONSOLIDATED SCOPE**

**1. Business combination**

During the period, the Group had no changes in consolidated scope as a result of business combination.

**2. Disposal of subsidiaries**

During the period, the Group had no changes in consolidated scope as a result of disposal of subsidiaries.

**3. Changes in consolidated scope for other reasons**

During the period, the Group had no changes in consolidated scope as a result of other reasons.

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES****1. Interests in subsidiaries***(1) Constitutions for enterprise group*

Name of subsidiaries	Principal place of business	Place of registration	Business nature	Registered capital	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
BYD Logistics Company Limited	Beijing, the PRC	Beijing, the PRC	Logistics and warehousing	30,000	92.84	—	Establishment
Beijing C&C Advertising (Beijing) Limited	Beijing, the PRC	Beijing, the PRC	Advertising services	80,000	84.69	—	Business combination involving entities not under common control
Beijing Beiqing Outdoor Advertisement Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	10,000	100.00	—	Business combination involving entities under common control
Beiqing Network Culture Communication Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	51,000	100.00	—	Establishment
Beiqing Long Teng Investment Management (Beijing) Co., Limited	Beijing, the PRC	Beijing, the PRC	Investment management	50,000	80.84	—	Establishment
Chongqing Youth Media Company Limited	Chongqing, the PRC	Chongqing, the PRC	Newspaper distribution, advertising services	30,000	60.00	—	Establishment
Beiqing Community Media Technology (Beijing) Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	30,025	52.661	—	Establishment
CHONG QING YOUTH	California, the United States	California, the United States	Travel rental	8,800	—	60.00	Establishment

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)**

**1. Interests in subsidiaries (Continued)**

**(2) Significant non-wholly-owned subsidiaries**

Name of subsidiaries	Percentage of non-controlling shareholders (%)	Gain or loss for the period attributable to non-controlling shareholders	Other comprehensive income attributable to non-controlling shareholders for the period	Balance of non-controlling shareholders as at 30 June 2021
BYD Logistics Company Limited	7.16	(243)	—	(542)
Beijing Community Media Technology (Beijing) Co., Ltd.	47.339	1,428	—	21,473

**(3) Major financial information of significant not wholly-owned subsidiaries**

Name of subsidiaries	As at 30 June 2021						As at 31 December 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
BYD Logistics Company Limited	44,124	19	44,143	51,711	—	51,711	56,082	27	56,109	60,284	—	60,284
Beijing Community Media Technology (Beijing) Co., Ltd.	56,675	1,392	58,067	12,707	—	12,707	59,375	1,392	60,767	18,423	—	18,423

Name of subsidiaries	For the six months ended 30 June 2021				For the six months ended 30 June 2020			
	Operating income	Net profit	Total comprehensive income	Net cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Net cash flows from operating activities
BYD Logistics Company Limited	57,882	(3,393)	(3,393)	(9,163)	35,959	(766)	(766)	2,154
Beijing Community Media Technology (Beijing) Co., Ltd.	29,045	3,017	3,017	28,990	21,362	(705)	(705)	(5,417)

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)****2. Interests in associates****(1) Constitutions for associates**

Name of associates	Place of registration	Principal place of business	Business nature	Shareholding percentage (%)		Voting percentage (%)	Business structure
				Direct	Indirect		
Beijing Leisure Trend Advertising Company Limited	Beijing	Beijing	Design, production, agency advertising	49.04	—	49.04	Limited liability company
Beijing Shengyi Automobile Technology Co., Ltd.	Beijing	Beijing	Car decoration services, market research, marketing planning	20.00	—	20.00	Limited liability company
Beijing Beisheng United Insurance Agency Co., Limited	Beijing	Beijing	Car insurance agency services	20.00	—	20.00	Limited liability company
BY Times Consulting Co., Ltd	Beijing	Beijing	Economic information consulting, organizing cultural activities	30.00	—	30.00	Limited liability company
Beijing Beijing Top Advertising Limited	Beijing	Beijing	Design, production, agency advertising	41.60	—	41.60	Limited liability company
Hebei Jujingcai E-commerce Company Limited	Shijiazhuang	Shijiazhuang	Primary agricultural products and other goods sale	44.50	—	44.50	Limited liability company
Chongqing Soyang Internet Technology Co., Ltd	Chongqing	Chongqing	Network E-Commerce	—	35.00	35.00	Limited liability company
Beijing Shangyou Network Technology Co., Ltd	Beijing	Beijing	Network E-Commerce	—	30.00	30.00	Limited liability company
Beijing International Advertising Media Group Co., Ltd	Beijing	Beijing	Design, production, agency advertising	14.99	—	14.99	Limited liability company

*Note:* The shareholding of Beijing International Advertising Media Group Co., Ltd by the Company is 14.99%, and the Company has appointed a director to participate in the decision-making of the production and operation of such company and has significant influence over such company.

The accounting method for the investment in associates adopted by the Group is equity method.

Chongqing Soyang Internet Technology Co., Ltd is a 35% owned associate of Chongqing Youth Media Company Limited, a subsidiary of Beijing Media.

Beijing Shangyou Network Technology Co., Ltd is a 30% owned associate of Beijing Community Media Technology (Beijing) Co., Ltd., a subsidiary of Beijing Media.

(Amounts expressed in thousands of RMB unless otherwise stated  
in the notes to the financial statements)

For the six months ended 30 June 2021

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES** *(Continued)*

**2. Interests in associates** *(Continued)*

*(2) Major financial information for associates*

<b>Item</b>	<b>As at 30 June 2021/ For the six months ended 30 June 2021</b>	<b>As at 31 December 2020/For the six months ended 30 June 2020</b>
<b>Associates:</b>		
Total carrying value in investment	<b>3,525</b>	3,497
Aggregated amounts per shareholding percentage for the followings:		
— net profit	—	—
— other comprehensive income	<b>28</b>	(6,263)
— total comprehensive income	<b>28</b>	(6,263)

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES** *(Continued)***2. Interests in associates** *(Continued)***(3) Excess losses from associates**

<b>Name of associates</b>	Accumulated unrecognized losses in the previous years on 31 December 2020	Unrecognized loss for this period (or net profits shared in this period)	<b>Accumulated unrecognized loss as at 30 June 2021</b>
Beijing Leisure Trend Advertising Company Limited	(5,777)	(166)	<b>(5,943)</b>
Beijing Shengyi Automobile Technology Co., Ltd.	(1,199)	(22)	<b>(1,221)</b>
Beijing Beiqing Top Advertising Limited	(12,619)	—	<b>(12,619)</b>
Hebei Jujingcai E-commerce Company Limited	(877)	—	<b>(877)</b>
BY Times Consulting Co., Ltd.	(123)	(12)	<b>(135)</b>
Beijing International Advertising Media Group Co., Ltd.	(5,454)	(2,880)	<b>(8,334)</b>
<b>Total</b>	(26,049)	(3,080)	<b>(29,129)</b>

*Note:* As of the date of this report, Beijing Beiqing Top Advertising Limited has not yet provided its financial statements for January to June 2021.

**(4) Unrecognized commitments relating to investments in associates**

None

**(5) Contingent liabilities relating to investments in associates**

None

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)**

**3. Equity in investment in other equity instruments**

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

Company name	Place of registration	Principal place of business	Business nature	Shareholding percentage (%)	Fair value	Proportion of total assets (%)
					as at 30 June 2021	
Beiyang Publishing & Media Co., Ltd.	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Production, printing, publishing and distribution of books, newspapers and magazines	2.43	156,657	22.10
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	16.00	46,524	6.56
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	Beijing	Beijing	Internet Information Service	5.00	2,746	0.39

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES** *(Continued)***3. Equity in investment in other equity instruments** *(Continued)***(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 has made investments in Beiyang Media mainly based on the following consideration to obtain better investment returns: 1) the robust operating conditions of Beiyang Media; 2) its capital operation plans including the reform of shareholding system and listing. Subsequent to our investment, the Company sees the robust operating conditions of Beiyang Media in recent years as it has delivered sustained profitability and steady growth in assets and revenues. The Company is optimistic about the future operation of Beiyang Media and intends to hold the shares 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 has made investments in Keyin Media mainly based on the consideration of its robust operating conditions and listing plan. Subsequent to our investment, the Company sees the robust operating conditions of Keyin Media in recent years as it has delivered sustained profitability. The Company is optimistic about the future operation of Keyin Media and intends to hold the shares for a long term.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)**

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

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

Company name	Place of registration	Principal place of business	Business nature	Shareholding percentage (%)	Fair value	Proportion of total assets (%)
					as at 30 June 2021	
Beijing Runxin Dingtai Investment Center (limited partnership)	Beijing	Beijing	Investment management	11.62	35,847	5.06
Suzhou Huaying Culture Industry Investment Enterprise (limited partnership)	Suzhou, Jiangsu	Suzhou, Jiangsu	Investment management	2.61	2,109	0.30

*(2) The investment strategies of major investments in respect of other non-current financial assets:*

The Company's wholly-owned subsidiary, Beiqing Network Culture Communication Co., Ltd., as a limited partner, established Beijing Runxin Dingtai Investment Center (limited partnership) (hereinafter referred to as the "Fund") in 2013, with a shareholding of 11.62%. The Fund leverages on CSC Financial Co., Ltd. to focus on investing in equities of growth companies that plan to list. The Company has made investment in the Fund mainly based on the consideration of achieving favourable yields from the Fund's investment projects and considerable investment returns.

In recent years, the Fund has also been actively facilitating various investment projects to realize exits via listing, merger and acquisition and restructuring, repurchase and transfer in NEEQ market, etc. A number of projects have realized exit after listing or partial exit and delivered satisfactory yield. As of 30 June 2021, the Company has received accumulated investment income of RMB56,417 thousand, and expects to achieve better investment returns upon our exit from the Fund at maturity.

**XI. DISCLOSURE OF FAIR VALUES****1. Value of assets and liabilities measured at fair value at the end of period and fair value measurement level**

Item	Fair value as at 30 June 2021			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
I. Fair value measurement on recurred basis				
(I) Other non-current financial assets			37,956	37,956
1. Financial assets designated at fair value through profit or loss	—	—	37,956	37,956
Including: Investment in equity instruments	—	—	37,956	37,956
(II) Investment in other equity instruments			205,927	205,927
(III) Investment properties		110,879	—	110,879
1. Leased building		110,879	—	110,879
<b>Total assets measured at fair value on recurring basis</b>		<b>110,879</b>	<b>243,883</b>	<b>354,762</b>

**XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS**

**1. Relationships with related parties**

Related parties that had transactions with the Group during the period are as follows :

<b>Relationship</b>	<b>Name of related party</b>
Parent company	BYDA
Ultimate controlling company	Beijing Capital Group Co., Ltd. (北京首都創業集團有限公司)
Subsidiary of BYDA	Beijing International Investment Consultancy (Beijing) Co., Limited
Subsidiary of BYDA	Beiqing M-Media (Beijing) Culture Media Co., Ltd.* (北青融媒(北京)文化傳媒有限公司)
Subsidiary of BYDA	Beijing Youth Journal Agency
Subsidiary of BYDA	Legal Evening Agency
Subsidiary of BYDA	Beijing Science and Technology News Agency
Subsidiary of BYDA	Beijing Education Media Co., Limited
Subsidiary of BYDA	Beiqing Film & Television (Beijing) Co., Ltd.* (北青影視(北京)有限公司)
Subsidiary of BYDA	Beijing Beiqing Culture and Arts Company
Subsidiary of BYDA	Beijing China Open Promotion Co., Ltd.
Subsidiary of BYDA	Beijing Youth Daily Network Communication Technology Co., Ltd.
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Chuangyue Xinke Real Estate Co., Ltd. (北京創閱新科置業有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Donghuan Xinrong Investment Management Limited (北京東環鑫融投資管理有限公司)
Associate of the Company	Beijing International Advertising Media Group Co., Ltd.
Associate of the Company	Beijing Beiqing Top Advertising Limited
Associate of the Company	Beijing Leisure Trend Advertising Company Limited
Associate of the Company	Beijing Beisheng United Insurance Agency Co., Limited
Associate of the Company	Beijing Shengyi Automobile Technology Co., Ltd.
Associate of the Company	Hebei Jujingcai E-commerce Company Limited
Associate of the Company	BY Times Consulting Co., Ltd.
Associate of the Company	Chongqing Soyang Internet Technology Co., Ltd.
Associate of the Company	Beijing Shangyou Network Technology Co., Ltd.
Associate of the Company	Beijing Shangyou International Travel Agency Limited
Other related party	Shanghai China Business News Company Limited (Note 1)
Other related party	Chongqing Youth Industrial Co., Ltd. (Note 2)
Other related party	Chongqing Youth Daily
Other related party	Korea Central M&B Publishing Group
Key Management Personnel	Directors, supervisors and senior management personnel including Su Zhaohui

Note 1: Shanghai China Business News Company Limited is an associate of BYDA.

Note 2: Chongqing Youth Industrial Co., Ltd. is one of the shareholders of Chongqing Media.

**XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS** *(Continued)***2. Parent company and ultimate controlling company****(1) Parent company and ultimate controlling company**

Name of parent company	Type of enterprise	Registration place	Business nature	Legal representative	Unified social credit code
BYDA	State-owned enterprise	Beijing	Media and publishing	Tian Kewu	91110105MA008QJ53Y

Name of ultimate controlling company	Type of enterprise	Registration place	Business nature	Legal representative	Unified social credit code
Beijing Capital Group Co., Ltd.	State-owned enterprise	Beijing	Business services	He Jiangchuan	91110000101138949N

**(2) Parent company's registered capital and its changes**

Parent company	As at 1 January 2021	Increase in this period	Decrease in this period	As at 30 June 2021
BYDA	22,439	—	—	22,439

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)**

**2. Parent company and ultimate controlling company (Continued)**

**(3) Shares or equity held by parent company and its changes**

	Shareholding amount		Shareholding percentage (%)	
	As at 30 June 2021	As at 1 January 2021	As at 30 June 2021	As at 1 January 2021
Parent company				
BYDA	<b>124,840</b>	124,840	<b>63.27</b>	63.27

**3. Related party transactions**

**(1) Purchase of goods/receipt of services**

Related parties	Pricing principle for related party transactions	For the six months ended 30 June	
		2021	2020
BYDA (Note)	Contracted price	<b>5,274</b>	5,900
Subsidiaries of BYDA	Contracted price	<b>1,126</b>	1,322
Subsidiary of Beijing Capital Group Co.,Ltd.	Contracted price	<b>108</b>	—
Other related parties	Contracted price	<b>680</b>	41
<b>Total</b>		<b>7,188</b>	7,263

Note: Pursuant to the advertising space operating rights and options subscription agreement entered into between the Company and BYDA on 7 December 2004, the Company agreed to pay 16.5% of the advertising revenue to BYDA for the period from 1 October 2004 to 30 September 2033.

**XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)****3. Related party transactions (Continued)****(2) Sale of goods/rendering services**

Related parties	Pricing principle for related party transactions	For the six months ended 30 June	
		2021	2020
Subsidiaries of BYDA	Contracted price	582	425
Subsidiary of Beijing Capital Group Co., Ltd.	Contracted price	236	—
<b>Total</b>		<b>818</b>	425

**(3) Leasing (The Group as lessor)**

Lessee	Nature of assets leased	Date of commencement	Date of termination	Basis for rental income	Rental income recognized for this period
BYDA	Building	2019-1-1	2021-12-31	Contracted price	2,075

**(4) Leasing (The Group as lessee)**

Lessor	Nature of assets leased	Date of commencement	Date of termination	Basis for rental fees	Rental expenses recognized for this period
BYDA	Building	2019-1-1	2021-12-31	Contracted price	842
Beijing Donghuan Xinrong Investment Management Limited (北京東環 鑫融投資管理有 限公司)	Building	2021-1-1	2021-12-31	Contracted price	41

**(5) Remuneration for key management personnel**

Item	For the six months ended 30 June	
	2021	2020
Remuneration for key management personnel	1,211	1,119

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS** *(Continued)*

**3. Related party transactions** *(Continued)*

*(6) Guarantee from related parties*

None

**4. Balances with related parties**

*(1) Accounts receivable due from related parties*

	As at 30 June 2021		As at 31 December 2020	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
<b>Related parties</b>				
BYDA	15,212	5,594	12,969	—
Associates of the Company	47,883	47,833	47,883	47,623
Subsidiaries of BYDA	117,145	109,861	116,499	104,429
Subsidiary of Beijing Capital Group Co.,Ltd.	250	40	—	—
Other related parties	6	6	6	5
<b>Total</b>	<b>180,496</b>	<b>163,334</b>	177,357	152,057

*(2) Other receivables due from related parties*

	As at 30 June 2021		As at 31 December 2020	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
<b>Related parties</b>				
Associates of the Company	39	39	39	39
Subsidiaries of BYDA	5,156	3,962	5,156	3,896
<b>Total</b>	<b>5,195</b>	<b>4,001</b>	5,195	3,935

**XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS** *(Continued)***4. Balances with related parties** *(Continued)***(3) Accounts payable by related parties**

	<b>As at 30 June 2021</b>	As at 31 December 2020
<b>Related parties</b>		
BYDA	<b>939</b>	1,762
Subsidiaries of BYDA	<b>137</b>	639
Other related parties	<b>616</b>	616
<b>Total</b>	<b>1,692</b>	3,017

**(4) Other payables by related parties**

	<b>As at 30 June 2021</b>	As at 31 December 2020
<b>Related parties</b>		
BYDA	<b>1,733</b>	860
Associates of the Company	<b>100</b>	100
Subsidiaries of BYDA	<b>150</b>	150
Subsidiary of Beijing Capital Group Co.,Ltd.	<b>159</b>	—
Other related parties	<b>17</b>	25
<b>Total</b>	<b>2,159</b>	1,135

**(5) Prepayments by related parties**

	<b>As at 30 June 2021</b>	As at 31 December 2020
<b>Related parties</b>		
BYDA	<b>197</b>	113
<b>Total</b>	<b>197</b>	113

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**XIII. COMMITMENTS**

In addition to the commitments disclosed in the other notes to the financial statements, the Group has the following commitments:

**1. The Group as lessee**

As at 30 June 2021, the Group had contracted for the minimum lease payments under non-cancelable leases during following periods:

<b>Period</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Within 1 year	<b>1,034</b>	706
1–2 years	—	95
<b>Total</b>	<b>1,034</b>	801

**2. The Group as lessor**

As at 30 June 2021, the Group had contracted with tenants for the following future minimum lease payments:

<b>Period</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Within 1 year	<b>3,642</b>	7,327
1–2 years	<b>220</b>	217
2–3 years	<b>165</b>	220
After 3 years	—	55
<b>Total</b>	<b>4,027</b>	7,819

**XIV. POST-BALANCE SHEET EVENTS**

The Group had no material post-balance sheet events required to be disclosed.

**XV. SEGMENT INFORMATION**

The price of intra-segment transactions is determined with reference to market rates. The segments are:

Business segments	Principal activities
Advertising:	Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA, Beijing headlines, Chongqing Youth Daily, Beijing Community Newspaper.
Printing:	Provision of printing services.
Trading of print-related materials:	Sales of paper, ink, lubricant, film, pre-coating photosensitive liquid plate and rubber plate used for printing and other print-related materials.
Distribution:	Distribution of newspaper that are mainly published by Chongqing Youth Daily.

**(1) For the six months ended 30 June 2021**

Item	Trading of print-related materials				Unallocated amount and others		Total
	Advertising	Printing	Distribution	Elimination	others		
Revenue from external transactions	46,136	1,677	50,567	25	2,597	—	101,002
Revenue from intra-segment transactions	154	2,310	3,218	—	729	(6,411)	—
Operating revenue	46,290	3,987	53,785	25	3,326	(6,411)	101,002
Operating profit	(23,860)	91	(3,634)	(215)	(1,387)	122	(28,883)

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**XV. SEGMENT INFORMATION** *(Continued)*

**(2) For the six months ended 30 June 2020**

Item	Advertising	Printing	Trading of print-related materials	Distribution	Unallocated amount and others	Elimination	Total
Revenue from external transactions	39,517	1,434	28,735	62	4,531	—	74,279
Revenue from intra-segment transactions	32	1,821	3,969	—	635	(6,457)	—
Operating revenue	39,549	3,255	32,704	62	5,166	(6,457)	74,279
Operating profit (loss)	(20,597)	(108)	(457)	(523)	(16,523)	—	(38,208)

The business of the Group is mainly located in Beijing, China.

**XVI. OTHER SIGNIFICANT EVENTS**

**1. Leasing**

**(1) Carrying amount of assets leased out under operating leases**

Category of assets leased out under operating leases	As at 30 June 2021	As at 31 December 2020
Investment properties and fixed assets	<b>110,879</b>	111,228
<b>Total</b>	<b>110,879</b>	111,228

## XVII. SUPPLEMENTARY INFORMATION

## 1. Earnings per share

Item	For the six months ended 30 June	
	2021	2020
Net profit for the half-year attributable to shareholders of the Company	(29,695)	(37,121)
Weighted average number of issued ordinary shares (thousand shares)	197,310	197,310
<b>Earnings per share (RMB)</b>	<b>(0.15)</b>	(0.19)

The basic earnings and diluted earnings per share for the six months ended 30 June 2020 and 2021 are the same as there was no dilution incurred during the periods.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**XVII. SUPPLEMENTARY INFORMATION (Continued)**

**2. Balance sheet of the Company (unaudited)**

*Unit: RMB'000*

Item	As at 30 June 2021	As at 31 December 2020
<b>Current assets:</b>		
Bank balances and cash	<b>116,521</b>	119,005
Accounts receivable	<b>46,635</b>	63,352
Prepayments	<b>31,253</b>	37,323
Other receivables	<b>2,117</b>	2,190
Inventories	<b>1,438</b>	1,439
Other current assets	<b>26,391</b>	28,981
<b>Total current assets</b>	<b>224,355</b>	252,290
<b>Non-current assets:</b>		
Long-term equity investment	<b>211,440</b>	211,415
Investment in other equity instruments	<b>203,181</b>	203,181
Other non-current financial assets	<b>2,109</b>	2,685
Investment properties	<b>73,812</b>	73,812
Fixed assets	<b>1,434</b>	1,706
Construction in progress	<b>425</b>	
Intangible assets	<b>19,541</b>	20,015
Right-of-use assets	<b>842</b>	1,685
Long-term deferred expenses	<b>920</b>	1,699
Other non-current assets	<b>—</b>	—
<b>Total non-current assets</b>	<b>513,704</b>	516,198
<b>Total assets</b>	<b>738,059</b>	768,488

**XVII. SUPPLEMENTARY INFORMATION (Continued)****2. Balance sheet of the Company (unaudited) (Continued)**

Unit: RMB'000

Item	As at 30 June 2021	As at 31 December 2020
<b>Current liabilities:</b>		
Accounts payable	137	4,203
Contract liabilities	15,704	13,917
Employee benefit payables	3,526	3,331
Tax payables	48	97
Other payables	26,566	28,038
Other current liabilities	942	835
<b>Total current liabilities</b>	<b>46,923</b>	50,421
<b>Total non-current liabilities</b>	—	—
<b>Total liabilities</b>	<b>46,923</b>	50,421
<b>Shareholders' equity:</b>		
Share capital	197,310	197,310
Capital reserves	904,453	904,453
Other comprehensive income	94,171	94,171
Surplus reserves	130,931	130,931
Undistributed profits	(635,729)	(608,798)
<b>Total shareholders' equity</b>	<b>691,136</b>	718,067
<b>Total liabilities and shareholders' equity</b>	<b>738,059</b>	768,488

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

For the six months ended 30 June 2021

**XVII. SUPPLEMENTARY INFORMATION** *(Continued)*

**3. Income statement of the Company (unaudited)**

*Unit: RMB'000*

Item	For the six months ended 30 June	
	2021	2020
<b>Operating revenue</b>	<b>18,915</b>	21,690
<b>Total operating costs</b>	<b>34,433</b>	32,702
Operating costs	<b>22,925</b>	21,876
Tax and surcharges	<b>394</b>	651
Administrative expenses	<b>11,994</b>	11,016
Financial expenses	<b>(880)</b>	(841)
Including: Interest expenses	—	47
Interest income	<b>888</b>	896
Add: Other income	<b>36</b>	76
Investment income	<b>608</b>	(7,237)
Including: Gain from investments in associates	<b>25</b>	(6,256)
Gain on the changes in fair value	—	(7,612)
Impairment loss of credit	<b>(11,871)</b>	(7,236)
Gain on disposal of asset	<b>2</b>	—
<b>Operating profit</b>	<b>(26,743)</b>	(33,021)
Add: Non-operating income	—	87
Less: Non-operating expenses	<b>188</b>	7
<b>Total profit</b>	<b>(26,931)</b>	(32,941)
Less: Income tax expenses	—	—
<b>Net profit</b>	<b>(26,931)</b>	(32,941)
Other comprehensive income	—	—
<b>Total comprehensive income</b>	<b>(26,931)</b>	(32,941)

## XVII. SUPPLEMENTARY INFORMATION (Continued)

## 4. Cash flow statement of the Company (unaudited)

Unit: RMB'000

For the six months  
ended 30 June

Item	2021	2020
<b>I. Cash flows from operating activities:</b>		
Cash received from the sales of goods and the rendering of services	29,088	16,022
Taxes refund received	790	—
Other cash receipts relating to operating activities	781	2,297
<b>Sub-total of cash inflows from operating activities</b>	<b>30,659</b>	<b>18,319</b>
Cash paid for goods purchased and services received	12,161	6,297
Cash paid to and on behalf of employees	14,449	11,999
Payments of taxes and surcharges	394	714
Other cash payments relating to operating activities	7,646	5,351
<b>Sub-total of cash outflows from operating activities</b>	<b>34,650</b>	<b>24,361</b>
<b>Net cash flows from operating activities</b>	<b>(3,991)</b>	<b>(6,042)</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from investments	—	—
Cash received from returns on investment	219	—
Net cash received from disposal of fixed assets, intangible asset and other long-term assets	2	—
Net cash received from disposal of subsidiaries and other business units	—	—
Other cash receipts relating to investing activities	1,990	1,000
<b>Sub-total of cash inflows from investing activities</b>	<b>2,211</b>	<b>1,000</b>

(Amounts expressed in thousands of RMB unless otherwise stated  
in the notes to the financial statements)

For the six months ended 30 June 2021

**XVII. SUPPLEMENTARY INFORMATION (Continued)**

**4. Cash flow statement of the Company (unaudited) (Continued)**

Unit: RMB'000

**For the six months  
ended 30 June**

<b>Item</b>	<b>2021</b>	<b>2020</b>
Cash paid to acquire fixed assets, intangible assets and other long- term assets	<b>704</b>	—
Cash paid on investment	—	—
Net cash paid to acquire subsidiaries and other business units	—	—
Other cash payments relating to investing activities	—	—
<b>Sub-total of cash outflows from investing activities</b>	<b>704</b>	—
<b>Net cash flows generated from investing activities</b>	<b>1,507</b>	1,000
<b>III. Cash flows from financing activities:</b>		
Cash received from investments	—	—
Cash received from borrowings obtained	—	—
Cash received from issue of bonds	—	—
Other cash receipts relating to financing activities	—	—
<b>Sub-total of cash inflows from financing activities</b>	—	—
Cash payments for borrowings repayment	—	—
Cash payments for distribution of dividends or profits or interest expense	—	—
Other cash payments relating to financing activities	—	—
<b>Sub-total of cash outflows from financing activities</b>	—	—
<b>Net cash generated from financing activities</b>	—	—

**XVII. SUPPLEMENTARY INFORMATION (Continued)****4. Cash flow statement of the Company (unaudited) (Continued)***Unit: RMB'000*

Item	For the six months ended 30 June	
	2021	2020
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	—	—
<b>V. Net increase in cash and cash equivalents</b>	<b>(2,484)</b>	(5,042)
Add: Balance of cash and cash equivalents at the beginning of the period	<b>119,005</b>	138,504
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>116,521</b>	133,462

**5. Statement of changes in shareholders' equity of the Company (unaudited)***Unit: RMB'000*

Item	For the six months ended 30 June 2021					Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	
Balance as at 1 January 2021	197,310	904,453	94,171	130,931	(608,798)	718,067
Net profits	—	—	—	—	(26,931)	(26,931)
Other comprehensive income	—	—	—	—	—	—
Appropriation to shareholders	—	—	—	—	—	—
<b>Sub-total of the changes for the period</b>	—	—	—	—	(26,931)	(26,931)
Balance as at 30 June 2021	197,310	904,453	94,171	130,931	(635,729)	691,136

**XVII. SUPPLEMENTARY INFORMATION (Continued)**

**5. Statement of changes in shareholders' equity of the Company (unaudited)  
(Continued)**

Unit: RMB'000

Item	For the six months ended 30 June 2020					Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	
<b>Balance as at 1 January 2020</b>	197,310	904,453	104,068	130,931	(469,672)	867,090
Net profits	—	—	—	—	(32,941)	(32,941)
Other comprehensive income	—	—	—	—	—	—
Appropriation to shareholders	—	—	—	—	—	—
<b>Sub-total of the changes for the period</b>	—	—	—	—	(32,941)	(32,941)
<b>Balance as at 30 June 2020</b>	197,310	904,453	104,068	130,931	(502,613)	834,149

Note: In accordance with the People's Republic of China (the "PRC") regulations and the Articles of Association of the Company, the respective subsidiaries of the Group are required to transfer 10% of the profit after tax, determined in accordance with the PRC Accounting Standards, every year to statutory surplus reserves until the balance reaches 50% of the registered share capital. Such reserves can be used to offset any losses to be incurred and to increase share capital. Except for the reduction of losses, any other usage should not result in the balance falling below 25% of the registered share capital.

**6. Distributable reserve**

As of 30 June 2021, the Company's undistributed profits amounted to RMB-635,729 thousand (31 December 2020: RMB-608,798 thousand). Surplus reserve for the Company was RMB130,931 thousand (31 December 2020: RMB130,931 thousand). According to the Articles of Association of the Company, the surplus reserve can be used to offset the accumulated losses through approval from the general meeting.

**XVIII. APPROVAL OF INTERIM FINANCIAL REPORT**

This financial report was approved by the Board of the Company on 27 August 2021.

**Beijing Media Corporation Limited**

27 August 2021