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BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

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

(Stock Code: 1000)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS:

1. Total operating income of the Group for the year of 2022 was RMB158,397 thousand, representing a decrease of RMB29,155 thousand or 15.55% as compared with 2021.
2. Net loss of the Group attributable to the shareholders of the Company for the year of 2022 was RMB23,500 thousand, representing a decrease of net loss of RMB40,659 thousand or 63.37% as compared with 2021.
3. Earnings per share was RMB-0.12 in 2022; earnings per share was RMB-0.33 in 2021.
4. As of 31 December 2022, the equity of the Group attributable to the shareholders of the Company was RMB617,047 thousand and the gearing ratio of the Group was 12.34%.
5. The Board did not propose to declare a final dividend for the year 2022.

The Board announces the audited consolidated results of the Group for the year ended 31 December 2022 which have been prepared in accordance with the PRC Accounting Standards and the disclosure requirements of the Listing Rules and the Hong Kong Companies Ordinance.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

Item	Notes	<i>RMB'000</i>	
		For the year ended 31 December 2022	For the year ended 31 December 2021
Total operating income	1	<u>158,397</u>	<u>187,552</u>
Total operating costs		199,849	220,973
Operating costs	1	150,916	169,492
Tax and surcharges		2,322	1,699
Selling expenses		19,391	15,556
Administrative expenses		30,085	36,976
Financial expenses	3	(2,865)	(2,750)
Including: Interest expenses		5	18
Interest income		<u>2,965</u>	<u>2,672</u>
Add: Other income		154	189
Investment income	4	23,581	28,217
Including: Gain from investments in associates	4	(256)	30
Profit on the changes in fair value		(5,140)	(14,948)
Credit impairment losses		(4,563)	(41,827)
Impairment loss of assets		(228)	(332)
Gain on disposal of assets		<u>4</u>	<u>11</u>
Operating profit		(27,644)	(62,111)
Add: non-operating income	5	123	291
Less: non-operating expenses	6	<u>58</u>	<u>678</u>
Total profit		(27,579)	(62,498)
Less: Income tax expenses	7	<u>595</u>	<u>4,694</u>
Net profit		(28,174)	(67,192)
Net profit attributable to:			
Net profit from continuing operations		(28,174)	(67,192)
Net profit from discontinued operations		—	—
Shareholders of the Company		(23,500)	(64,159)
Non-controlling shareholders		<u>(4,674)</u>	<u>(3,033)</u>

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the year ended 31 December 2022

Item	Notes	RMB'000	
		For the year ended 31 December 2022	For the year ended 31 December 2021
Other net comprehensive income after tax		11,797	64,254
Other net comprehensive income after tax attributable to shareholders of the Company		11,735	64,277
Including: Other comprehensive income unqualified for subsequent reclassification into profit or loss		11,643	64,312
Including: Change in fair value of other equity instruments investments		11,643	64,312
Including: Other comprehensive income subsequently reclassified into profit or loss		92	(35)
Including: Exchange differences from retranslation of financial statements		92	(35)
Other net comprehensive income after tax attributable to non-controlling shareholders		62	(23)
Total comprehensive income		(16,377)	(2,938)
Total comprehensive income attributable to shareholders of the Company		(11,765)	118
Total comprehensive income attributable to non-controlling shareholders		(4,612)	(3,056)
Earnings per share:			
Basic earnings per share (RMB)	8	(0.12)	(0.33)
Diluted earnings per share (RMB)	8	(0.12)	(0.33)
Dividends	9	—	—

CONSOLIDATED BALANCE SHEET

As at 31 December 2022

Item	Notes	RMB'000	
		As at 31 December 2022	As at 31 December 2021
Current assets:			
Bank balances and cash		82,948	264,322
Financial assets held for trading	10	162,663	—
Notes receivable		382	2,498
Accounts receivable	11	17,900	25,792
Prepayments		2,496	522
Other receivables	12	11,800	848
Inventories		4,853	11,942
Other current assets		27,351	29,117
Total current assets		310,393	335,041
Non-current assets:			
Long-term equity investment		3,271	3,527
Other equity instruments investment	13	282,017	270,421
Other non-current financial assets	14	250	1,946
Investment properties		89,697	96,185
Fixed assets		568	467
Right-of-use assets		—	74
Intangible assets		18,147	19,077
Goodwill		—	—
Long-term deferred expenses		766	822
Deferred income tax assets		—	—
Other non-current assets		—	—
Total non-current assets		394,716	392,519
Total assets		705,109	727,560

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2022

Item	Notes	RMB'000	
		As at 31 December 2022	As at 31 December 2021
Current liabilities:			
Notes payable		6,086	3,239
Accounts payable	15	11,666	14,748
Contractual liabilities		20,912	21,499
Employee benefit payables		8,425	6,847
Tax payables		277	6,085
Other payables		25,061	23,604
Non-current liabilities due within one year		—	61
Other current liabilities		1,120	1,394
Total current liabilities		73,547	77,477
Non-current liabilities:			
Leased liabilities		—	—
Deferred income tax liabilities		3,901	4,525
Total non-current liabilities		3,901	4,525
Total liabilities		77,448	82,002
Shareholders' equity:			
Share capital		197,310	197,310
Capital reserves		934,606	934,421
Other comprehensive income		171,846	160,111
Surplus reserves		130,931	130,931
Undistributed profits		(817,646)	(794,146)
Total equity attributable to shareholders of the Company		617,047	628,627
Non-controlling interest		10,614	16,931
Total shareholders' equity		627,661	645,558
Total liabilities and shareholders' equity		705,109	727,560
Net current assets		236,846	257,564
Total assets less current liabilities		631,562	650,083

BASIS FOR PREPARATION

The Group's financial statements for the year ended 31 December 2022 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the People's Republic of China, including adoption of nine revised and new basic and specific standards issued by MOF ("New PRC Accounting Standards") and other relevant regulations issued by MOF ("PRC Accounting Standards") in 2014; and based on the applicable disclosure rules under the Rules Governing the Listing of Securities of Hong Kong Stock Exchange and Hong Kong Companies Ordinance as well as the accounting policies and estimates as stated in Note V "Significant accounting policies and accounting estimates" of the "Notes to the Financial Statements" of the Group's 2022 annual report.

ON A GOING CONCERN BASIS

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

STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's financial statements have been prepared in conformity with the PRC Accounting Standards, and present truly and completely the consolidated financial position as at 31 December 2022 and their consolidated operating results, consolidated cash flows and other relevant information for the year then ended.

NOTES TO THE FINANCIAL STATEMENTS

1. TOTAL OPERATING INCOME, OPERATING COSTS

(1) Principal operations — by business

Item	For the year ended 31 December 2022		For the year ended 31 December 2021	
	Operating income	Operating costs	Operating income	Operating costs
Advertising and activities	58,116	59,026	82,855	72,599
Printing	2,802	2,574	2,921	2,710
Trading of print-related materials	88,983	86,121	96,486	92,590
Publication	52	141	61	147
Other revenue	411	—	29	—
Total	<u>150,364</u>	<u>147,862</u>	<u>182,352</u>	<u>168,046</u>

(2) For the year ended 31 December 2022, the sum of operating income from the top five customers is RMB62,913 thousand, representing 39.72% of total operating income.

2. SEGMENT INFORMATION

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

Business segments	Principal activities
Advertising and activities:	Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA, Chongqing Youth Daily, Beijing Community Newspaper, youth cultural activities and camp base education activities.
Printing:	Provision of printing services.
Trading of print-related materials:	Sales of paper, ink, lubricant, film, presensitized plate and rubber sheet used for printing and other print-related materials.

(1) For the year ended 31 December 2022

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

(2) For the year ended 31 December 2021

Item	Advertising and activities	Printing	Trading of print-related materials	Unallocated amount	Elimination	Total
Operating income	83,133	7,430	102,121	6,234	(11,366)	187,552
Including: Income from external transactions	82,855	2,921	96,486	5,290	—	187,552
Income from intra-segment transactions	278	4,509	5,635	944	(11,366)	—
Total operating costs	116,761	6,836	102,678	6,565	(11,867)	220,973
Provision for impairment	29,197	669	9,191	8,291	(5,189)	42,159
Gains on changes in fair value	—	—	—	(14,948)	—	(14,948)
Investment income	—	—	—	54,217	(26,000)	28,217
Gain on disposal of asset	—	—	—	11	—	11
Other income	—	—	—	189	—	189
Operating profit (loss)	(62,825)	(75)	(9,748)	30,847	(20,310)	(62,111)
Non-operating income and expenses, net	(486)	3	40	56	—	(387)
Total profit	(63,311)	(72)	(9,708)	30,903	(20,310)	(62,498)
Income tax expenses	—	25	340	4,329	—	4,694
Net profit	(63,311)	(97)	(10,048)	26,574	(20,310)	(67,192)
Total assets	296,924	2,436	33,473	623,973	(229,246)	727,560
Total liabilities	58,529	3,397	46,683	33,955	(60,562)	82,002
Supplementary information						
Depreciation and amortization expenses	3,394	1	15	513	(501)	3,422
Capital expenditure	634	—	—	85	—	719
Impairment of assets	29,197	669	9,191	8,291	(5,189)	42,159
Non-cash expenses excluding depreciation and impairment of assets	—	—	—	—	—	—

3. FINANCIAL EXPENSES

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Interest expenses	5	18
Less: interest income	2,965	2,672
Exchange loss	15	(161)
Commissions and other expenses	80	65
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Total	(2,865)	(2,750)
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4. GAIN ON INVESTMENT

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Share of gains of associates	(256)	30
Investment income received from the disposal of financial assets at fair value through profit or loss	12,406	20,195
Investment income received from holding investments of other equity instruments	11,160	7,671
Others	271	321
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Total	23,581	28,217
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5. NON-OPERATING INCOME

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Rental refund deposit income	—	240
Others	123	51
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Total	123	291
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6. NON-OPERATING EXPENSES

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Losses on damage or abandonment of non-current assets	—	3
Inventory scrap	—	375
Compensation and late payment charges	52	291
Others	6	9
	<hr/>	<hr/>
Total	58	678
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7. INCOME TAX EXPENSES

(1) Income tax expenses

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Current income tax expenses	1,173	7,059
Deferred income tax expenses	(578)	(2,365)
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Total	595	4,694
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(2) Current income tax expenses

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Current income tax — PRC	2,884	6,827
Under-provision in prior years — PRC	(1,711)	232
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Total	1,173	7,059
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No provisions for Hong Kong profits tax of the Group during the year, as there was no profit generated from Hong Kong.

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

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Total profit	<u>(27,579)</u>	<u>(62,498)</u>
Income tax calculated at the applicable tax rate of 25%	(6,895)	(15,624)
Tax effect of non-taxable income	—	(1,925)
Tax effect of non-deductible expenses	72	591
Tax effect of the Company's losses in current year	9,249	22,485
Tax losses previously unrecognized utilized	(82)	(1,065)
Tax effect of tax relief	(38)	—
Under-provision in prior years	<u>(1,711)</u>	<u>232</u>
Total	<u><u>595</u></u>	<u><u>4,694</u></u>

Note: Pursuant to the “Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Cultural Public Institutions into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department” (Cai Shui [2019] No. 16), the enterprises that have completed the transformation before 31 December 2018 can continue to enjoy the five-year EIT exemption starting from 1 January 2019.

8. EARNINGS PER SHARE

Item	For the year ended 31 December 2022	For the year ended 31 December 2021
Net profit attributable to shareholders of the Company for the year	(23,500)	(64,159)
Weighted average number of issued ordinary shares (thousand shares)	<u>197,310</u>	<u>197,310</u>
Basic earnings per share (RMB)	<u><u>(0.12)</u></u>	<u><u>(0.33)</u></u>

Basic earnings per share and diluted earnings per share during the years ended 31 December 2021 and 2022 were the same, as no diluting events existed for both years.

9. DIVIDENDS

- (1) As the cumulative distributable profits in 2022 are insufficient to pay dividend, the Board did not propose to declare a final dividend for the year 2022.
- (2) For the Reporting Period, the Company did not distribute any dividends.

10. FINANCIAL ASSETS HELD FOR TRADING

Item	Investment cost	As at 31 December 2022	As at 31 December 2021
Wealth management products	160,000	162,663	—
Total		162,663	—

11. ACCOUNTS RECEIVABLE

Item	As at 31 December 2022	As at 31 December 2021
Accounts receivable	423,247	428,387
Less: Provision for bad debts	405,347	402,595
Net accounts receivable	17,900	25,792
For reporting purpose, analysis as:		
Non-current assets — long-term receivables	—	—
Current assets — accounts receivable	17,900	25,792
Total	17,900	25,792

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

Item	As at 31 December 2022	As at 31 December 2021
0–90 days	7,055	7,856
91–180 days	1,672	3,150
181–365 days	2,014	3,384
1–2 years	2,539	3,919
Over 2 years	4,620	7,483
Total	17,900	25,792

12. OTHER RECEIVABLES

Item	As at 31 December 2022	As at 31 December 2021
Interest receivable	—	—
Dividends receivable	11,104	—
Other receivables	203,481	201,981
Less: Provision for bad debts	<u>202,785</u>	<u>201,133</u>
Net other receivables	<u>11,800</u>	<u>848</u>

13. INVESTMENT IN OTHER EQUITY INSTRUMENTS

(1) Investment in other equity instruments

Item	Investment cost	As at 31 December 2022	As at 31 December 2021
Beijing Keyin Media and Culture Co., Ltd.	6,560	35,874	46,665
Beiyang Publishing & Media Co., Ltd.	103,000	222,256	194,901
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	500	3,284	3,472
Beijing International Advertising & Communication Group Co., Ltd.	<u>33,119</u>	<u>20,603</u>	<u>25,383</u>
Total		<u>282,017</u>	<u>270,421</u>

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

Type	As at 31 December 2022	As at 31 December 2021
Unlisted equity investments, China	<u>282,017</u>	<u>270,421</u>
Total	<u>282,017</u>	<u>270,421</u>

14. OTHER NON-CURRENT FINANCIAL ASSETS

Item	As at 31 December 2022	As at 31 December 2021
Suzhou Huaying Culture Industry Investment Enterprise (limited partnership)	<u>250</u>	<u>1,946</u>
Total	<u><u>250</u></u>	<u><u>1,946</u></u>

15. ACCOUNTS PAYABLE

The following is an aging analysis of accounts payable as at 31 December 2022 presented based on the invoice date:

Item	As at 31 December 2022	As at 31 December 2021
0–90 days	7,891	11,378
91–180 days	47	243
181–365 days	322	647
Over one year	<u>3,406</u>	<u>2,480</u>
Total	<u><u>11,666</u></u>	<u><u>14,748</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP BUSINESS REVIEW

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; (3) trading of print-related materials, which involves the supply and trading of, among others, newsprint, ink, lubricants, films, presensitized plate and rubber sheet to customers including commercial printers.

Due to the ongoing impact of COVID-19 pandemic and the escalation of global geopolitical conflicts, energy crisis, and persistently high inflation, the economy recovery has slowed down with a turbulent global economy, while China's economy was also affected and faced unprecedented challenges in 2022.

The Group's total operating income for 2022 was RMB158,397 thousand (2021: RMB187,552 thousand), representing a decrease of 15.55% as compared with the corresponding period in 2021. Due to the impact of COVID-19 pandemic, the competition from new media and changes in policy, the operating revenue of the various business sectors of the Group declined to varying degrees. In particular, Beijing Community Media, a subsidiary of the Company, recorded a decrease in operating revenue by RMB17,279 thousand in 2022 due to the decline in offline business and the impact of changes in the management policy of the industry.

Operating costs of the Group for 2022 were RMB150,916 thousand (2021: RMB169,492 thousand), representing a decrease of 10.96% as compared with those for the corresponding period of 2021. Net loss attributable to shareholders of the Company for 2022 was RMB23,500 thousand (2021: net loss attributable to shareholders of the Company of RMB64,159 thousand), representing a decrease of 63.37% as compared with those for the corresponding period of 2021.

The Group recorded a significant decrease of loss, thanks to (1) bad debts accrued over years and the provision for asset impairment significantly decreased by RMB37,264 thousand in 2022; (2) proactively taking measures of reducing costs and enhancing efficiency, including optimizing human resources allocation, strictly controlling costs and reducing business expenses. The administrative expenses were therefore significantly decreased by RMB6,891 thousand, representing a decrease of 18.64% as compared with those for the corresponding period of 2021; (3) turnaround from loss to profit of BYD Logistics, a subsidiary of the Company, whose net profit in 2022 was RMB850 thousand, achieving not only operating profits but also financial profit after provision.

Looking back on the arduous challenges and changes in 2022, the Group has always adhered to building a solid foundation, pursuing development and taking various measures despite the diverse pressures:

I. Improving corporate governance and consolidating a development foundation

The Company completed the re-election and appointment of directors and supervisors for the new session of the Board and the Supervisory Committee, such that the Board composition was more professional and diverse; expanded the management team and adjusted the division of senior management personnel to enhance capacity development; adjusted organizational structure, established the video department, set a new Enterprise Management Department and formed the general business division of the advertising center to optimize performance assessment and enhance quality and efficiency; introduced professional talents to optimize the personnel structure, and improved the matching degree of personnel and positions, of which the proportion of employees under the age of 30 in the total staff increased to 14.7% from 9% in the corresponding period of last year; launched CRM system construction and applied OA office system to subsidiaries to enhance refined management and business synergies; and revised the Company's procedures to optimize state-owned assets management system. Such initiatives have optimized the Group's management efficiency and improved its operational quality.

II. Achieving industry synergy with consolidated resources and improving operation ecology

Firstly, the Group consolidated the existing businesses and innovated IP operation and maintenance and activity planning. The Group obtained the event authorization from China Open Promotion Co., Ltd.* (中國網球公開賽有限公司), cooperated with its subsidiary Chongqing Media, to introduce China Open Tennis Tournaments IP into Chongqing, and hold the "Diamond Cup" Junior Tennis Challenger of the China Tennis Open Tournament (Chongqing Station) jointly with Chongqing municipal League and Chongqing Municipal Sports Bureau for the next.

Secondly, the Group entrusted to manage Beijing Youth Journal Agency and Beijing Beiqing Education and Media Co., Ltd., and actively integrated the high-quality resources of Capital Group entrustment enterprises and cooperated with the Company's new business cultivation to achieve industrial synergy growth on the basis of obtaining a hosting fee of RMB1,200 thousand per year.

Thirdly, the Group gave full play to its creative advantages, deeply exploring the resources of Capital Group, and forming complementary advantages in venue space, brand activity planning, content operation and maintenance and achieving win-win cooperation, including establishing strategic cooperation with Beijing Agriculture Guaranty Co., Ltd.* (北京市農業融資擔保有限公司) to carry out business promotion and explore services for market of suburban; cooperating activities with Capital Langyuan (首創朗園) and other offline activities; developing virtual online press

conference and promotional video products, successfully planning and producing the online press conference for the 25th anniversary of the establishment of Capital Financing Guarantee Co., Ltd., and undertaking the promotional video shooting business of Capital Securities, Capital Financing Guarantee Co., Ltd. and Capital Group 2022 Skills Competition, as well as corporate promotional products design business.

III. Progressing in new area of camping education for business transformation

Capitalizing on its own resources advantage, the Company contributed to set up Beijing Beiqing Innovation Cultural Industry Development Co., Ltd. (北京北青創新文化產業發展有限公司), a wholly-owned subsidiary focusing on light-asset operation model, for the purpose of developing a leading camping education operation service provider and youth culture content service provider in the PRC. As of the end of 2022, the two principal businesses of Beiqing Innovation Cultural (北青創新文化), camp education and youth study activities, had completed their initial deployment and achieved operating revenue of RMB3,850 thousand.

IV. Revitalizing the idle funds and assets to effectively increase investment income

The Company entered into the asset management contract for single asset management plan with Capital Securities in June 2022, which was entrusted to operate cash management for the Company and take effective use of idle funds under controllable risks, realizing profit on the changes in fair value of RMB2,663 thousand; leased the Company's idle office buildings to Beijing Agricultural Investment Co., Ltd. and Beijing Rural Area Equity Exchange Co., Ltd. to obtain rental income of RMB1,783 thousand; and sold and disposed of commodities for replacement of advertising fees to relieve inventory management pressure.

V. Focusing on principal businesses to rule out systemic risk

In 2022, the Group endeavored to solve previous issues. Bad debts accrued and provision for assets impairment provided in prior years were significantly reduced, which effectively reduced systematic risks. Certain inferior companies are undergoing liquidation and three of them have been liquidated so far. Additionally, the Group has been actively recovering historical debts, won cases involving RMB5,900 thousand and collected accounts receivable amounting to RMB2,690 thousand in 2022.

Advertising Business

In 2022, the market development of advertising industry in the PRC was slowed down overall by the continued impact of the recurring and regular control of COVID-19 pandemic, as well as the impact brought by development of online video, short-form video and mobile internet. The traditional advertising market, represented by print media, television and radio media, continued to be compressed, especially as the market size and market share of print media advertising continued to decrease, while internet advertising rose rapidly and showed a trend of increasing market share year by year. The delivery demand for advertising from various enterprises no longer remains in the traditional advertising delivery mode, but rather seeks out psychological demands of users to create a personalized advertising delivery effect.

Revenue from advertising business of the Group for 2022 was RMB58,116 thousand (RMB82,855 thousand for the corresponding period in 2021), representing a decrease of 29.86% as compared with that for the corresponding period in 2021. Due to the repeated COVID-19 pandemic, offline business of the Company's advertising center segments and advertising sectors of subsidiaries were stagnant, resulting in decrease in placements of customers in performance, consumption, tourism and other industries and thus a decrease in revenue from advertising business.

In light of severe market situation, relied on the resource advantages of Capital Group and BYDA, the Company took use of its advantage in resources, based on the direction of integrated media development, strengthened content construction, accelerated digital transformation, and put in place the following measures in advertising operation:

1. Optimizing organizational structure and improving the closed-loop management mechanism of “target, task, assessment and incentive”

Firstly, the Group combined and formed the general business division, thus the advertising center formed a parallel business model of 5 business divisions including finance, real estate, automobile, education and general business, to integrate cross-industry resources and seek for new source of growth on condition of consolidating advantageous business. In particular, the automotive division and the real estate division have reorganized their department heads and formed a new management team to explore new customer resources and improve management efficiency; the general business division has implemented a client case management system to realise full project planning through industry networking.

Secondly, the Group optimized performance assessment in line with the structure adjustment, adopted “profit-based” incentive measure to fully mobilize the enthusiasm of the team and scale down the expenditure of the advertising business. Meanwhile, the Group launched CRM system construction to improve lean management of the advertising business.

2. *Creating a content platform and building core competitiveness with brand event planning*

The Group penetrated deeply to customers' upgrading need for advertising products, starting from content planning, adhering to content originality, driving operation with special content issues, continuously improving customer satisfaction and consolidating brand influence.

Finance is a key advertising segment of the Company. In 2022, the finance business division integrated the upstream and downstream vertical industry chains, planning thematic special issues and creating fast, stable, precise and accurate content products focusing on key areas such as banking, insurance and IPO, and enhanced its influence with originality, which not only made it unique among Beijing metropolitan media, but also obtaining orders from financial institutions outside of Beijing. At the same time, the Group expanded its distribution channel and built a series of distribution platforms including Bai Jia (百家號), Flush (同花順), Xueqiu (雪球), Today Headlines (今日頭條) and Tencent News (騰訊新聞), operating the "Beiqing Youcai" (北青有財) video account to establish a financial industry community, enabling user interaction and diversified content distribution, further expanding the influence of "Beiqing" brand in the finance industry and effectively driving customer delivery.

The real estate business division re-published Guangsha Times (廣廈時代), created special reports and put more efforts in video planning, and focused on building original content production model with Guangsha Times (廣廈時代) newspaper and "Qing Real Estate" (青地產) public account as the main axis; simultaneously, the real estate business division actively integrated resources, created exclusive brand activities through cross-border content and activity resources, and planned and completed a total of 8 activities for CIFI (金茂), Poly (保利), Urban Construction (城建), BBMG (金隅), HOPSON (合生), Longfor (龍湖), Greentown (綠城) and Country Garden (碧桂園), which has been recognized by customers.

The automobile business division resumed the regular publication for Auto Time magazine, enhanced content originality, planned three types of products, being "community activities, new media videos, and Beijing International Auto Show interviews", and successfully held Happy Valley Auto Carnival (歡樂谷汽車嘉年華) to increase the revenue from advertising. Under the pressure of "Double Reduction", the education business division pursued innovations and changes and cooperated with more than 60 public schools, which accumulated resources for activities such as Famous Teachers' Classrooms (名師課堂) and Principal's Round Table (校長圓桌).

3. Accelerating videolization search and establishing multimedia product system

In the development direction of integrated media, and on condition of obtaining the right to act as the exclusive agency for finance, real estate and automobile sectors at Beijing Youth Daily Mobile Client and YNET, the Group further enriched the integrated media platform taking use of WeChat public account, Weibo and other new media resources by way of incorporating short videos and live broadcasts to attract targeted customer.

Each business divisions combined video production with innovative planning mode and created personalized service plans for customers: the education business division starts the contribution of the new media matrix of the advertising center, centering on the popular hotspot “new consumption”, through the media combination of Xiaohongshu (小紅書) and WeChat public account “Beijing Life Times (北京生活時代)”, supplemented by video account and Tik Tok account, and combined with online publication plus offline activities to enrich the types of advertising products and accelerate commercial monetization. The real estate business division is actively planning a series of new video themes, such as “Exploring the new home of an internet celebrity with millions of fans”, and promoting video marketing activities of several special plans. The home building materials industry of the general business division cooperated with the video department and the media department to launch the Tik Tok account “Dongboge (咚波哥)”, and based on customer needs, planned a variety of publicity programs for Xicheng District Beijing Commercial Committee and the National Centre for the Performing Arts at the same time.

Additionally, the Company also actively planned to create a richer product portfolio focusing on advertising mediums such as metro, outdoor and broadcasting, and satisfied the in-depth customer needs through precise placement positioning, thereby driving improvement in advertising performance.

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

Results of major subsidiaries of the Group

BYD Logistics is a 92.84%-owned subsidiary of the Company and principally engages in the businesses of printing and trading of print-related materials. In 2022, BYD Logistics implemented various measures in light of the adverse impact of the international political environment and the rebound of domestic COVID-19 pandemic, consolidated management while strictly controlling business risks and maintaining stability of its business, reduced cost and improved efficiency and achieved a turnaround from loss to profit. In 2022, the net profit of BYD Logistics was RMB850 thousand. In terms of printing business, BYD Logistics maintained stable operation, and successfully accomplished the printing and publication of “Beijing Youth Daily” during major reporting periods such as the Beijing 2022 Winter Paralympics, the Beijing Two Sessions, the National Two Sessions, and the 13th Beijing Party Congress; contributed to the education cause of Beijing for years by undertaking the publication of Beijing Examination News (《北京考試報》) and was highly recognized by customers, demonstrating corporate social responsibility. In terms of trading of printing-related materials business, under the adverse situation of shrinking domestic demand in papers, rising prices of raw material and freight logistics stagnated by months of traffic restrictions, BYD Logistics actively responded to such situation by focusing on developing customers for book and textbook papers, seeking for high-quality alternative products for customers from the source of supply and reducing cost fluctuations and avoiding foreign exchange risks by adjusting business settlement means, ultimately achieving centralized arrival and sales based on demand and ensuring a stable operating revenue during the year.

Beiqing Community Media is a 57.952%-owned subsidiary of the Company. Beiqing Community Media has transformed from original traditional media newspaper business model to a government-affiliated integrated media service business model, digging deeper into the needs of government and enterprise customers and improving its activity planning and organizing capabilities to build information dissemination platform and service platform for customers through the organic combination of online operation and maintenance with offline activities. Beiqing Community Media’s intensive cultivation of community media has been highly recognized by community residents, governments at all levels and cooperative businesses, which has greatly increased its influence. Up to now, Beiqing Community Media has 13 branches across the whole urban area of Beijing, including Shunyi, Sub-city Centre, Daxing, Chaoyang, Dongcheng, Xicheng, Haidian, Shijingshan, Fangshan, Changping, Sanjianfang, Miyun, and Fengtai, and has published newspapers of “Beiqing Community Daily”. In addition to newspapers, the branches and the marketing departments of Beiqing Community Media operate a total of more than 78 self-owned and joint-operated WeChat public accounts. At the same time, the branches also distributed news products on various new media platforms such as TikTok (抖音號), Kuaishou (快手號), Today Headlines Account (今日頭條號) and Sina Weibo (新浪微博), forming a strong publicity matrix, and presenting good performance in the coverage and spread of integrated media publicity.

In 2022, offline community event of Beiqing Community Media reduced significantly due to the rebounded COVID-19 pandemic; coupled with the impact of change in the management policy of the industry on its business, the operating revenue of Beiqing Community Media declined. Faced with the multiple challenges, Beiqing Community Media insisted on stabilizing business, teams and development, actively optimised its business structure, continued to improve its management, and implemented cost reduction as well as efficiency improvement. Firstly, it strived to promote government service and social organizations procurement, which starting from the key business, focused on the development of government and market services business, including undertaking comprehensive services such as publicity, promotion, operation, development and maintenance of government and social groups, so as to increase its customers and revenue; secondly, through resource integration and business synergy, it actively developed corporate media services, including undertaking corporate media operation and maintenance projects, formulating special plans for corporate integrated media publicity and promotion, as well as planning and carrying out offline activities through public fitness activities, community lectures and live broadcast activities during the window periods of the pandemic to achieve corporate marketing in communities. In addition, leveraging on its extensive experience in integrated new media services and mature professional technical teams, Beiqing Community Media entered into the Comprehensive Service Agreement with BYDA and Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd., pursuant to which it shall provide comprehensive services including technical and design services to BYDA and Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd. for their new media businesses, which will increase its revenue through integrating the resources of BYDA Group's new media business. Pursuant to the agreement and the RMB50 million transaction cap approved by the general meeting of the Company, it is expected that these transactions will result in a significant growth in operating income in 2023.

In 2023, Beiqing Community Media will continue to develop community channels and make progress while maintaining stability by leveraging the advantages of community media contents. Through resource integration, it will also actively explore the demand for government and corporate publicity services, and develop new models of community cultural space operation.

Beiqing Innovation Cultural, a wholly-owned subsidiary of the Company, was established in April 2022, and principally engages in camping education and youth cultural activities, which aims to develop into a leading operator and services provider of camping education across the nation. At the end of 2022, the initial layout of Beiqing Innovation Cultural's two business segments had been completed, and a total operating revenue of RMB3,850 thousand was recorded. In terms of camping education business, the Stream located in Baihe Bay (雲夢星空•Stream), the first youth camp, has been put into operation at the end of August 2022. Although the operating period was significantly

shortened due to the resurgence of COVID-19 pandemic, the camp received a total of over 1,300 visitors through its precise planning for the holidays of Mid-Autumn Festival and National Day, of which the accumulative maximum number of visitors received exceeded 300 in a single day. In terms of youth cultural activities business, it cooperated with a number of primary and secondary schools in Beijing to expand customer channels, actively developed study routes across the nation, as well as supporting curriculums; it carried out various projects including science study camps, literature activities for readers, and Hengshui Lake study and practice activities, receiving a total of 5,000 people, among which Hengshui Lake study and practice activities project was recognized by the Hengshui Education Bureau in Hebei Province as a key study course to promote the building of Hengshui Lake 5A Scenic Area. In 2023, Beiqing Innovation Cultural will actively identify excellent camping resources, and develop differentiated operation and content system to build the core competitiveness of Beiqing's camping brand.

Beiqing Network Culture is a wholly-owned subsidiary of the Company. Beiqing Network Culture, as a limited partner, participated in the capital contribution for establishing Beijing Runxin Dingtai Investment Centre (Limited Partnership) (the "Fund") in 2013. Pursuant to the agreement, the Fund expired on 25 November 2021 and entered into a two-year liquidation period. In 2022, the Fund has completely withdrawn from the previous investments in Jushri Technologies, Inc. and Beijing TINAVI Medical Technology Co., Ltd. by way of capital reduction at the secondary market, and the return on divestment has been distributed in July 2022.

Chongqing Media is a 60%-owned subsidiary of the Company. The current business operations of Chongqing Media are advertising and newspaper distribution. The advertising is mainly on online platforms, supplemented by newspaper promotion. In 2022, Chongqing Media reached cooperation agreement with Chongqing Municipal Committee of the Communist Youth League of China ("Chongqing municipal League"), so as to complete newspaper revision pilot on one hand, consolidate new media platforms such as Chongqing Youth New Media Center, form an integrated media communication portfolio covering newspapers, periodicals, internet, WeChat and Weibo by aggregating content and pipelines, while setting up a series of topics and columns related to the 20th National Congress of the Chinese Communist Party and others, and planned a series of topics and original articles for youth throughout the year, all of which achieved sound social response; on the other hand, to enhance resource interaction and business synergy between Beijing and Chongqing, and Chongqing Media actively prepared the "Diamond Cup" Junior Tennis Challenger of the China Tennis Open Tournament (Chongqing Station). The event is jointly sponsored by Chongqing municipal League and Chongqing Municipal Sports Bureau and has received title sponsorship, which is postponed due to the impact of COVID-19 pandemic. In 2023, Chongqing Media will accelerate resource integration, continue to develop government service projects, and actively explore business transformation.

Prospects and Future Plans

In 2023, the Group believes that under the leadership of the government, the impact of the pandemic on social economy will be gradually reduced, the normalization of macro economic operations can be expected to resume and the market is expected to recover gradually.

In 2023, the Group will adhere to the operation and development strategy of “maintaining stability and trying amid stability” and accelerate the transformation of search business. Through strengthening product building, the Group will create self-media matrix, establish multimedia product system and strive to explore sustainable business model by expanding camping education and other asset-light operating business.

In 2023, the Group will play the role of a market-oriented expansion platform for the cultural and sports industry of the Capital Group, actively synergize and integrate resources, innovate IP operation and maintenance and activity planning, leverage the advantages of the listed company platform to build a comprehensive and multi-level industrial chain, construct a new industrial development pattern, respond to industry risks through a diversified revenue model and cultivate new growth momentum.

In 2023, the Group will deepen the expansion of cultural, creative and technological resources, seek opportunities for industrial cooperation through industry research and field research, and carry out capital operations when appropriate.

In 2023, the Group will continuously improve management, comprehensively strengthen the system and information construction, improve the risk control system and make efforts to address the previous issues.

In 2023, the Group will implement a reform of the remuneration system that prioritizes efficiency and gives consideration to fairness, strengthen performance assessment and talent cultivation, and establish an effective incentive mechanism, to realize the talent to strengthen the enterprise and stimulate the endogenous power of the Company’s development.

In 2023, the Group will, based on the strengthening of the existing businesses, grasp the opportunities arising from industry reform and the revival of social economy to create new opportunities in crisis and open a new chapter in a changing situation by trying valiantly and exploring actively, and strive to become a leading media enterprise with cross-media market expansion capabilities in China.

FINANCIAL POSITION AND OPERATIONAL RESULTS

1. Total Operating Income

Total operating income of the Group for 2022 was RMB158,397 thousand (2021: RMB187,552 thousand), representing a decrease of 15.55% as compared to that in 2021, of which, revenue from advertising was RMB58,116 thousand (2021: RMB82,855 thousand), representing a decrease of 29.86% as compared to that in 2021; revenue from printing was RMB2,802 thousand (2021: RMB2,921 thousand), representing a decrease of 4.07% as compared to that in 2021; and revenue from trading of print-related materials was RMB88,983 thousand (2021: RMB96,486 thousand), representing a decrease of 7.78% as compared to that in 2021.

2. Operating Cost and Sales Tax and Surcharges

Operating cost of the Group for 2022 was RMB150,916 thousand (2021: RMB169,492 thousand), representing a decrease of 10.96% as compared to that in 2021, of which, advertising cost was RMB59,026 thousand (2021: RMB72,599 thousand), representing a decrease of 18.70% as compared to that in 2021; printing cost was RMB2,574 thousand (2021: RMB2,710 thousand), representing a decrease of 5.02% as compared to that in 2021; and cost of trading of print-related materials was RMB86,121 thousand (2021: RMB92,590 thousand), representing a decrease of 6.99% as compared to that in 2021. Tax and surcharges were RMB2,322 thousand (2021: RMB1,699 thousand), representing an increase of 36.67% as compared to that in 2021.

3. Gross Profit

Gross profit of the Group for 2022 was RMB7,481 thousand (2021: RMB18,060 thousand), representing a decrease of 58.58% as compared to that in 2021; gross profit margin of the Group for 2022 was 4.72% (2021: 9.63%).

4. Selling Expenses

Selling expenses of the Group for 2022 was RMB19,391 thousand (2021: RMB15,556 thousand), representing an increase of 24.65% as compared to that in 2021.

5. Administrative Expenses

Administrative expenses of the Group for 2022 was RMB30,085 thousand (2021: RMB36,976 thousand), representing a decrease of 18.64% as compared to that in 2021.

6. Financial Expenses

Financial expenses of the Group for 2022 was RMB-2,865 thousand (2021: RMB-2,750 thousand), representing an increase of 4.18% in absolute value as compared to that in 2021. In particular, interest income was RMB2,965 thousand (2021: RMB2,672 thousand), representing an increase of 10.97% as compared to that in 2021; and foreign exchange loss was RMB15 thousand (2021: RMB-161 thousand), representing an increase of 109.32% as compared to that in 2021.

7. Share of Gains of Associates

Share of gains of associates of the Group for 2022 was RMB-256 thousand (2021: gain of RMB30 thousand), representing a decrease of RMB286 thousand as compared to that in 2021.

8. Operating Profit

Operating profit of the Group for 2022 was RMB-27,644 thousand (2021: RMB-62,111 thousand), representing a decrease of 55.49% in loss as compared to that in 2021.

9. Income Tax Expenses

Income tax expenses of the Group for 2022 was RMB595 thousand (2021: RMB4,694 thousand), representing a decrease of 87.32% or RMB4,099 thousand as compared to that in 2021. Pursuant to the “Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Cultural Public Institutions into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department” (Cai Shui [2019] No. 16), the enterprises that have completed the structure reform before 31 December 2018 can continue to enjoy the five-year Enterprise Income Tax (EIT) exemption starting from 1 January 2019.

10. Net Profit/loss and Net Profit/loss Attributable to Shareholders of the Company

Net loss of the Group for 2022 was RMB28,174 thousand (2021: net loss of RMB67,192 thousand), of which, net loss attributable to shareholders of the Company was RMB23,500 thousand (2021: net loss attributable to shareholders of the Company of RMB64,159 thousand).

11. Final Dividend

The Board did not recommend the distribution of the final dividend for the year 2022 (2021: Nil).

12. Net Current Assets

As at 31 December 2022, net current assets of the Group was RMB236,846 thousand (31 December 2021: RMB257,564 thousand). Current assets mainly comprised bank balances and cash of RMB82,948 thousand (31 December 2021: RMB264,322 thousand), financial assets available for sale of RMB162,663 thousand (31 December 2021: Nil), notes receivable of RMB382 thousand (31 December 2021: RMB2,498 thousand), accounts receivable of RMB17,900 thousand (31 December 2021: RMB25,792 thousand), prepayments of RMB2,496 thousand (31 December 2021: RMB522 thousand), other receivables of RMB11,800 thousand (31 December 2021: RMB848 thousand), inventories of RMB4,853 thousand (31 December 2021: RMB11,942 thousand), and other current assets of RMB27,351 thousand (31 December 2021: RMB29,117 thousand). Current liabilities mainly comprised notes payable of RMB6,086 thousand (31 December 2021: RMB3,239 thousand), accounts payable of RMB11,666 thousand (31 December 2021: RMB14,748 thousand), contractual liabilities of RMB20,912 thousand (31 December 2021: RMB21,499 thousand), employee benefit payables of RMB8,425 thousand (31 December 2021: RMB6,847 thousand), tax payables of RMB277 thousand (31 December 2021: RMB6,085 thousand), other payables of RMB25,061 thousand (31 December 2021: RMB23,604 thousand), non-current liabilities due within one year of Nil (31 December 2021: RMB61 thousand), and other current liabilities of RMB1,120 thousand (31 December 2021: RMB1,394 thousand).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2022, current assets of the Group was RMB310,393 thousand (31 December 2021: RMB335,041 thousand), including bank balances and cash of RMB82,948 thousand (31 December 2021: RMB264,322 thousand) and non-current assets of the Group was RMB394,716 thousand (31 December 2021: RMB392,519 thousand).

As at 31 December 2022, current liabilities of the Group was RMB73,547 thousand (31 December 2021: RMB77,477 thousand); and non-current liabilities was RMB3,901 thousand (31 December 2021: RMB4,525 thousand).

As at 31 December 2022, shareholders' equity of the Group was RMB627,661 thousand (31 December 2021: RMB645,558 thousand).

GEARING RATIO

As at 31 December 2022, gearing ratio of the Group was 12.34% (31 December 2021: 12.70%) (which is calculated by dividing the Group's total liabilities by its total equity).

BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2022, bank loans, overdrafts and other borrowings of the Group was Nil (31 December 2021: Nil). Most of the cash and cash equivalent held by the Group was denominated in Renminbi.

FINANCING COST

Financing cost of the Group for 2022 was RMB5 thousand (2021: RMB18 thousand).

FIVE-YEAR RESULTS HIGHLIGHTS

	For the year ended 31 December				
	2022	2021	2020	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total operating income	158,397	187,552	217,291	219,927	344,625
Net profit	(28,174)	(67,192)	(136,356)	(214,511)	(292,213)
Net profit attributable to shareholders of the Company	<u>(23,500)</u>	<u>(64,159)</u>	<u>(130,176)</u>	<u>(196,538)</u>	<u>(277,310)</u>
Earnings per share — basic and diluted (<i>RMB</i>)	<u>(0.12)</u>	<u>(0.33)</u>	<u>(0.66)</u>	<u>(0.99)</u>	<u>(1.39)</u>
	As at 31 December				
	2022	2021	2020	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	705,109	727,560	745,447	895,445	1,159,286
Total liabilities	77,448	82,002	96,951	100,448	148,694
Total equity attributable to shareholders of the Company	<u>617,047</u>	<u>628,627</u>	<u>628,509</u>	<u>768,760</u>	<u>966,545</u>
Shareholders' equity per share as at the end of the year (<i>RMB</i>)	<u>3.13</u>	<u>3.19</u>	<u>3.19</u>	<u>3.90</u>	<u>4.90</u>

USE OF PROCEEDS FROM THE LISTING

The Company raised a total net proceeds of HKD889,086 thousand from the global offering in 2004, all of which have been used up.

In order to capture more business opportunities arising from emerging media businesses and other media-related businesses, the Company believes that it will seek for various financing arrangements to support business development subject to business needs and mature conditions in the future.

SHARE STRUCTURE (AS AT 31 DECEMBER 2022)

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

Note:

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

CAPITAL EXPENDITURE

Capital expenditures of the Group for 2022 was RMB930 thousand (2021: RMB719 thousand). Capital expenditures of the Group for 2022 mainly comprises the expenditures consistent with business strategies including expenditures on office equipment and intangible assets.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2022, the Group did not have any contingent liabilities or any pledge of assets.

MATERIAL INVESTMENTS

To increase the cash revenue of the Group, the Company entered into the single asset management contract with Capital Securities and the Beijing Branch of Bank of Communications Co., Ltd. on 19 April 2022 to effectively manage existing idle funds through conducting low-risk investment activities without affecting the ordinary operating

liquidity of the Group. Pursuant to the single asset management contract, the Company will entrust Capital Securities to provide asset management and investment services for the entrusted assets, with a term of one year commencing from 17 June 2022. Within the validity period of the single asset management contract, the maximum daily balance of the entrusted assets managed by Capital Securities shall not exceed RMB200 million. For details of the above transaction, please refer to the announcement of the Company dated 19 April 2022 and the circular of the Company dated 26 May 2022.

As at 31 December 2022, the Company's investments in Beiyang Publishing & Media Co., Ltd. and Beijing Keyin Media Culture Co., Ltd. account for over 5% of the Group's total assets. For details of such significant investments, please refer to note 13(1) headed "Investment in other equity instruments" to the notes to the financial statements of this announcement.

Save as disclosed in this announcement, as of 31 December 2022, the Group had no material investments or any plan related to material investment or acquisition of assets.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

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

FOREIGN EXCHANGE RISKS

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

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

AUDIT COMMITTEE

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

The Audit Committee and the management of the Company have reviewed the accounting principles and practices adopted by the Group. In addition, the Audit Committee has discussed with the Directors on matters concerning the internal control and financial reporting of the Company, including reviewing the audited consolidated financial statements of the Group for the year of 2022 without dissenting opinions.

COMPLIANCE WITH LAWS, REGULATIONS AND CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has been in compliance with the laws and regulations which would have a material impact on the Group and the code provisions set out in the Corporate Governance Code under Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

In respect of securities transactions of Directors and Supervisors, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by its Directors and Supervisors. Having made sufficient enquiries to Directors and Supervisors, all Directors and Supervisors confirmed they have complied with the required standards under the Model Code during the Reporting Period.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES

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

FINAL DIVIDEND

The Board did not recommend the distribution of final dividend for the year ended 31 December 2022.

CLOSURE OF REGISTER OF MEMBERS

The Company intends to hold the 2022 annual general meeting of the Company (“AGM”) at 2:00 p.m. on Friday, 16 June 2023 at the Conference Room 704, the 7th Floor, Beijing Youth Daily Agency Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the People’s Republic of China. The register of members of the Company will be closed from Wednesday, 17 May 2023 to Friday, 16 June 2023 (both days inclusive), during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the AGM, all transfer documents of the holders of H shares together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company’s H share registrar and transfer office in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4: 30 p.m. on Tuesday, 16 May 2023. The record date for determining the eligibility to attend the AGM will be on Wednesday, 17 May 2023.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the Company's website (www.bjmedia.com.cn) and the HKEXNEWS website of Hong Kong Stock Exchange (www.hkexnews.hk). The 2022 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the aforesaid websites in due course.

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

Beijing, the PRC

24 March 2023

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

DEFINITIONS

“Audit Committee”	The audit committee under the Board
“Beiqing Community Media”	Beiqing Community Media Technology (Beijing) Co., Ltd., a subsidiary of the Company
“Beiqing Network Culture”	Beiqing Network Culture Communication Co., Ltd., a subsidiary of the Company
“Board”	The board of Directors of the Company
“BYD Logistics”	BYD Logistics Company Limited, a subsidiary of the Company
“BYDA”	Beijing Youth Daily Agency, the controlling shareholder of the Company
“Capital Group”	Beijing Capital Group Company Limited, the de facto controller of the Company
“Capital Securities”	Capital Securities Co., Ltd., a subsidiary of Capital Group

“Chongqing Media”	Chongqing Youth Media Company Limited, a subsidiary of the Company
“Company”	Beijing Media Corporation Limited, a joint stock limited company incorporated under the laws of the PRC and whose H Shares are listed and traded on the Hong Kong Stock Exchange
“Director(s)”	The director(s) of the Company
“Domestic Shares”	The ordinary share(s) of RMB1.00 per share in the share capital of the Company
“Group”	The Company and its subsidiaries
“H Shares”	The foreign share(s) listed overseas of RMB1.00 per share in the ordinary share capital of the Company
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers
“PRC” or “China”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region and Taiwan
“Reporting Period”	The year ended 31 December 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	The shareholder(s) of the Company
“Supervisor(s)”	The supervisor(s) of the Company