# 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 2013

**FINANCIAL HIGHLIGHTS:**

1. Total operating revenue of the Group for the year of 2013 was RMB667,428 thousand, representing a decrease of RMB22,848 thousand or 3.31% as compared with 2012.

2. Net profit of the Group attributable to the shareholders of the Company for the year of 2013 was RMB20,377 thousand, representing a decrease of RMB44,610 thousand or 68.64% as compared with 2012.

3. Earnings per share was RMB0.10, representing a decrease of RMB0.23 or 68.64% as compared with 2012.

4. The Board proposes to declare a final dividend of RMB0.14 per share for the year of 2013.

The Board announces the consolidated results of the Group for the year ended 31 December 2013 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 2013*

*RMB'000*

| Item | *Notes* | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|---|
| **Total operating revenue** | *1* | **667,428** | 690,276 |
| **Total operating costs** | | **644,501** | 668,288 |
| Operating costs | *1* | **573,686** | 608,474 |
| Sales tax and surcharges | | **13,087** | 23,678 |
| Selling expenses | | **17,682** | 14,494 |
| Administrative expenses | | **56,797** | 50,362 |
| Financial expenses | *3* | **(23,417)** | (31,314) |
| Impairment loss of assets | | **6,666** | 2,594 |
| Gain on changes in fair value | | **(1,071)** | 10,739 |
| Share of profit of associates | *4* | **10,347** | 13,633 |
| Other investment income | *4* | **(141)** | 22,356 |
| **Operating profit** | | **32,062** | 68,716 |
| Add: non-operating income | *5* | **5,921** | 1,530 |
| Less: non-operating expenses | *6* | **18,536** | 9 |
| **Total profit** | | **19,447** | 70,237 |
| Less: Income tax expenses | *7* | **2,174** | 6,778 |
| **Net profit** | | **17,273** | 63,459 |
| Other comprehensive income | | **–** | – |
| **Total comprehensive income** | | **17,273** | 63,459 |
| **Net profit attributable to:** | | | |
| Shareholders of the Company | | **20,377** | 64,987 |
| Non-controlling interests | | **(3,104)** | (1,528) |
| | | **17,273** | 63,459 |
| **Total comprehensive income attributable to:** | | | |
| Shareholders of the Company | | **20,377** | 64,987 |
| Non-controlling interests | | **(3,104)** | (1,528) |
| | | **17,273** | 63,459 |
| **Earnings per share:** | | | |
| Basic earnings per share (RMB) | *8* | **0.10** | 0.33 |
| Diluted earnings per share (RMB) | *8* | **0.10** | 0.33 |
| **Dividends** | *9* | **59,193** | 118,386 |

**CONSOLIDATED BALANCE SHEET**
*As at 31 December 2013*

*RMB'000*

| Item | *Notes* | **As at 31 December 2013** | As at 31 December 2012 |
|---|---|---|---|
| Current assets: | | | |
| Bank balances and cash | | **562,219** | 828,850 |
| Financial assets held for trading | | **15** | 22 |
| Accounts receivable | *10* | **338,400** | 213,437 |
| Prepayments | | **48,653** | 16,322 |
| Interest receivable | | **4,780** | 7,355 |
| Other receivables | | **36,847** | 80,705 |
| Inventories | | **56,045** | 50,087 |
| Other current assets | *11* | **–** | 150,600 |
| **Total current assets** | | **1,046,959** | 1,347,378 |
| **Non-current assets:** | | | |
| Financial assets available-for-sale | *12* | **139,560** | 59,560 |
| Investments in associates | *13* | **248,097** | 135,171 |
| Investment properties | | **53,435** | 54,499 |
| Fixed assets | | **12,592** | 11,082 |
| Intangible assets | | **39,103** | 27,652 |
| Goodwill | | **47,377** | 47,377 |
| Long-term deferred expenses | | **1,227** | 1,788 |
| Deferred income tax assets | | **4,137** | 1,318 |
| Other non-current assets | *14* | **20,032** | – |
| **Total non-current assets** | | **565,560** | 338,447 |
| **Total assets** | | **1,612,519** | 1,685,825 |

**CONSOLIDATED BALANCE SHEET** *(Continued)*
*As at 31 December 2013*

*RMB'000*

| Item | *Notes* | **As at 31 December 2013** | As at 31 December 2012 |
|---|---|---|---|
| **Current liabilities:** | | | |
| Notes payable | | **95,980** | 89,357 |
| Accounts payable | *15* | **120,771** | 108,530 |
| Receipts in advance | | **37,676** | 21,660 |
| Employee benefit payables | | **7,645** | 6,776 |
| Tax payables | | **(14,494)** | (6,370) |
| Dividend payable | | **–** | 398 |
| Other payables | *16* | **21,478** | 92,215 |
| Non-current liabilities due within one year | | **–** | 3,670 |
| Other current liabilities | | **7,366** | 7,539 |
| **Total current liabilities** | | **276,422** | 323,775 |
| **Non-current liabilities:** | | | |
| Deferred income tax liabilities | | **2,583** | 3,616 |
| **Total non-current liabilities** | | **2,583** | 3,616 |
| **Total liabilities** | | **279,005** | 327,391 |
| **Shareholders' equity:** | | | |
| Share capital | | **197,310** | 197,310 |
| Capital reserves | | **891,179** | 891,179 |
| Surplus reserves | | **130,931** | 130,931 |
| Undistributed profits | | **82,818** | 121,634 |
| **Equity attributable to shareholders of the Company** | | **1,302,238** | 1,341,054 |
| Non-controlling interests | | **31,276** | 17,380 |
| **Total shareholders' equity** | | **1,333,514** | 1,358,434 |
| **Total liabilities and shareholders' equity** | | **1,612,519** | 1,685,825 |
| **Net current assets** | | **770,537** | 1,023,603 |
| **Total assets less current liabilities** | | **1,336,097** | 1,362,050 |

## BASIS FOR PREPARATION

The Group's financial statements for the year ended 31 December 2013 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 issued by the Ministry of Finance ("MOF") of the People's Republic of China ("PRC Accounting Standards"), including early adoption of the following revised and newly issued Accounting Standards for Business Enterprises ("ASBE") by MOF from January to March 2014 in the financial statements: ASBE No.2 – Long-term equity investment, ASBE No.9 – Employee benefits, ASBE No.30 – Presentation of financial statements, ASBE No.33 – Consolidated financial statements, ASBE No.39 – Fair value measurement and ASBE No.40 – Joint arrangements ("New and Revised PRC Accounting Standards") and the applicable disclosures required by the Listing Rules and Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in Note IV "Principal accounting policies and accounting estimates and basis of preparation of consolidated financial statements" in the annual report of the Group for the year 2013.

### Change of Accounting Policy and its Effect

New and Revised PRC Accounting Standards will be effective from 1 July 2014, and enterprises listed outside China were encouraged to early adopt them.

For the year ended 31 December 2013, the Group early adopted the New and Revised PRC Accounting Standards in the financial statements, the section of comparable financial statements have been reclassified in accordance with the disclosure of the financial statements of the current period. The related change in accounting policy has no material effect to the Group's financial statements. Comparative figures are reclassified as follows:

*RMB'000*

| Reporting item | **As at 31 December 2012** | Reclassify | As at 31 December 2012 (Revised) |
|---|---|---|---|
| Other long-term equity investment | **59,560** | (59,560) | – |
| Financial assets available-for-sale | – | 59,560 | 59,560 |

## STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's consolidated 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 2013 and their consolidated operating results, consolidated cash flows and other relevant information for the year then ended.

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

## NOTES TO THE FINANCIAL STATEMENTS

### I. TOTAL OPERATING REVENUE, OPERATING COSTS

| | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|
| Principal operating revenue | **629,250** | 683,654 |
| Other operating revenue | **38,178** | 6,622 |
| **Total operating revenue** | **667,428** | 690,276 |
| Principal operating costs | **541,185** | 607,924 |
| Other operating costs | **32,501** | 550 |
| **Total operating costs** | **573,686** | 608,474 |
| Gross Profit | **93,742** | 81,802 |

### 2. SEGMENT INFORMATION

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

| **Segment** | **Principal activities** |
|---|---|
| Advertising: | Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA, Chongqing Youth Daily, Beiqing Community Media (北青社區報) and CéCi magazine. |
| Printing: | Provision of printing services. |
| Trading of print-related material: | Sales of newsprint, ink, lubricants, films, PS boards and rubber sheets and other print-related materials. |
| Distribution: | Distribution of newspaper that are mainly published by Chongqing Youth Daily. |

*Note:* On 12 July 2013, the Company and Chongqing Youth Industrial Co., Ltd. jointly established a subsidiary Chongqing Media. Chongqing Media has been included in the Group's scope of consolidation since that day. Therefore, newspaper publishing of Chongqing Youth Daily is included in the distribution business for the year ended 31 December 2013.

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

**(1) For the year ended 31 December 2013**

| | Advertising | Printing | Trading of print-related materials | Distribution | Other and unallocated amount | Elimination | Total |
|---|---|---|---|---|---|---|---|
| Operating revenue | 342,435 | 91,436 | 360,230 | 329 | 38,626 | (165,628) | 667,428 |
| Including: Revenue from external transactions | 339,805 | 22,330 | 266,786 | 329 | 38,178 | – | 667,428 |
| Revenue from intra-segment transactions | 2,630 | 69,106 | 93,444 | – | 448 | (165,628) | – |
| Operating expenses | 330,608 | 88,262 | 360,524 | 5,490 | 25,245 | (165,628) | 644,501 |
| Gain on changes in fair value | – | – | – | – | (1,071) | – | (1,071) |
| Investment income | – | – | – | – | 19,306 | (9,100) | 10,206 |
| Operating profit (loss) | 11,827 | 3,174 | (294) | (5,161) | 31,616 | (9,100) | 32,062 |
| Non-operating income and expenses, net | (12,883) | 54 | 212 | 14 | (12) | – | (12,615) |
| Total profit | (1,056) | 3,228 | (82) | (5,147) | 31,604 | (9,100) | 19,447 |
| Income tax expenses | (433) | 159 | 628 | – | 1,820 | – | 2,174 |
| Net profit | (623) | 3,069 | (710) | (5,147) | 29,284 | (9,100) | 17,273 |
| Total assets | 1,180,263 | 30,030 | 236,749 | 6,075 | 869,215 | (709,813) | 1,612,519 |
| Total liabilities | 139,962 | 44,390 | 177,561 | 1,837 | 90,802 | (175,547) | 279,005 |
| Supplementary information: | | | | | | | |
| Depreciation and amortization expenses | 3,169 | 321 | 731 | 22 | 203 | – | 4,446 |
| Capital expenditure | 14,798 | 323 | 1,277 | 375 | 103 | – | 16,876 |
| Impairment of assets | 4,526 | 368 | 1,472 | – | 300 | – | 6,666 |
| Non-cash expenses excluding depreciation and impairment of assets | – | – | – | – | – | – | – |

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

**(2) For the year ended 31 December 2012**

| | Advertising | Printing | Trading of print-related materials | Distribution | Other and unallocated amount | Elimination | Total |
|---|---|---|---|---|---|---|---|
| Operating revenue | 361,400 | 118,937 | 377,090 | – | 9,622 | (176,773) | 690,276 |
| Including: Revenue from external transactions | 361,299 | 47,147 | 272,208 | – | 9,622 | – | 690,276 |
| Revenue from intra-segment transactions | 101 | 71,790 | 104,882 | – | – | (176,773) | – |
| Operating expenses | 360,870 | 118,045 | 375,329 | – | (9,183) | (176,773) | 668,288 |
| Gain on changes in fair value | – | – | – | – | 10,739 | – | 10,739 |
| Investment income | – | – | – | – | 44,889 | (8,900) | 35,989 |
| Operating profit (loss) | 530 | 892 | 1,761 | – | 74,433 | (8,900) | 68,716 |
| Non-operating income and expenses, net | 1,455 | 16 | 50 | – | – | – | 1,521 |
| Total profit | 1,985 | 908 | 1,811 | – | 74,433 | (8,900) | 70,237 |
| Income tax expenses | 2,155 | 305 | 965 | – | 3,353 | – | 6,778 |
| Net profit | (170) | 603 | 846 | – | 71,080 | (8,900) | 63,459 |
| Total assets | 1,113,548 | 45,961 | 145,543 | – | 903,358 | (522,585) | 1,685,825 |
| Total liabilities | 131,003 | 47,117 | 149,204 | – | 22,486 | (22,419) | 327,391 |
| Supplementary information: | | | | | | | |
| Depreciation and amortization expenses | 2,910 | 208 | 660 | – | 757 | – | 4,535 |
| Capital expenditure | 677 | 65 | 207 | – | 1,395 | – | 2,344 |
| Impairment of assets | 2,822 | (55) | (173) | – | – | – | 2,594 |
| Non-cash expenses excluding depreciation and impairment of assets | – | – | – | – | – | – | – |

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

## 3. FINANCIAL EXPENSES

| | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|
| Interest expenses – on bank loans wholly repayable within 5 years | **482** | 587 |
| Less: Interest income | **23,960** | 32,508 |
| Add: Exchange loss | **(108)** | 510 |
| Add: Other expenses | **169** | 97 |
| **Total** | **(23,417)** | (31,314) |

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

## 4. INVESTMENT INCOME

The investment income was arisen from:

| | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|
| Share of profit of associates | **10,347** | 13,633 |
| Other investment income: | | |
| Gain on disposal of partial interests in an associate | **–** | 11,228 |
| Other investment income | **(141)** | 11,128 |
| Sub-total of other investment income | **(141)** | 22,356 |
| **Total** | **10,206** | 35,989 |

## 5. NON-OPERATING INCOME

| **Items** | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|
| Gain on disposal of fixed assets | **312** | 75 |
| Government grants *(Note)* | **2,000** | – |
| Compensation for removal of advertising board | **3,590** | 18 |
| Late payment charges | **–** | 1,437 |
| Others | **19** | – |
| **Total** | **5,921** | 1,530 |

*Note:* Government grants represented unconditional grant from the PRC government in relation to the project funds for creative culture project of media enterprises. Government grant was determined at the sole discretion of the relevant PRC government authorities.

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

## 6. NON-OPERATING EXPENSES

| Items | For the year ended 31 December 2013 | For the year ended 31 December 2012 |
|---|---|---|
| Total loss on disposal of non-current assets | **–** | 9 |
| Including: Loss on disposal of fixed assets | **–** | 9 |
| Loss on payment to the Social Security Fund *(Note)* | **18,524** | – |
| Compensation and late payment charges expenses | **12** | – |
| **Total** | **18,536** | 9 |

*Note* When the Company was listed in 2004, according to the requirement of "Provisional Administrative Measures of Raising Social Security Funds by Reduction of the State Shares Holding" and relevant commitment, the Company should have to pay the National Social Security Fund in the amount of HK$88,870 thousand for the reduction of state shares holding. Pursuant to the comment letter "Social Security Fund Fa (2013) No.15" issued by National Council for Social Security Fund in respect of the pay back of the funds of the reduction of state shares holding, the Company required to pay the treasury fund in the amount of RMB90,585 thousand. During the reporting period, the Company paid. The difference of RMB18,524 thousand from the original amount payable for the reduction of state shares holding was included in non-operating expenses.

## 7. INCOME TAX EXPENSES

### (1) Income tax expenses

| | For the year ended 31 December 2013 | For the year ended 31 December 2012 |
|---|---|---|
| Current income tax expenses | **6,026** | 4,566 |
| Deferred income tax expenses | **(3,852)** | 2,212 |
| **Total** | **2,174** | 6,778 |

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

**(2) Current income tax expenses**

| | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|
| Current income tax – PRC | **6,071** | 4,188 |
| Under-provision in prior years – PRC | **(45)** | 378 |
| **Total** | **6,026** | 4,566 |

There was no provisions for Hong Kong Profits Tax of the Group during this year, because no profits was generated from Hong Kong.

## 8. EARNINGS PER SHARE

| | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|
| Net profit for the year attributable to shareholders of the Company | **20,377** | 64,987 |
| Weighted average number of issued ordinary shares (thousand shares) | **197,310** | 197,310 |
| **Earnings per share, basic *(RMB)*** | **0.10** | 0.33 |

Diluted earnings per share and basic earnings per share for the two years ended 31 December 2013 are the same as there were no diluting events existed during the period.

## 9. DIVIDENDS

| | **For the year ended 31 December 2013** | For the year ended 31 December 2012 |
|---|---|---|
| Dividends recognised as distribution during the year: | | |
| Payment of 2012 final dividend – RMB0.30 (2012: 2011 final dividend RMB 0.60 per share) *(Note)* | **59,193** | 118,386 |
| **Total** | **59,193** | 118,386 |

*Note:* At the annual general meeting held on 15 May 2013, the shareholders approved the final dividends distribution of RMB0.30 per ordinary share amounting to a total of RMB59,193,000 in respect of the year ended 31 December 2012. The amounts have been appropriated from retained earnings for the year ended 31 December 2013.

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

The final dividends for 2013 of RMB0.14 per share amounting to a total of RMB27,623.40 thousands has been proposed by the Board and is subject to shareholders' approval at the 2013 annual general meeting.

## 10. ACCOUNTS RECEIVABLE

| | **As at 31 December 2013** | As at 31 December 2012 |
|---|---|---|
| Accounts receivable | **351,065** | 222,129 |
| Less: Provision for bad debts | **12,665** | 8,692 |
| Net accounts receivable | **338,400** | 213,437 |
| For reporting purpose, analysis as: | | |
| Non-current assets – long-term receivables | **–** | – |
| Current assets – accounts receivable | **338,400** | 213,437 |
| **Total** | **338,400** | 213,437 |

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

| **Ageing** | **As at 31 December 2013** | As at 31 December 2012 |
|---|---|---|
| 0-90 days | **52,043** | 95,152 |
| 91-180 days | **63,936** | 62,635 |
| 181-365 days | **165,454** | 34,791 |
| 1-2 years | **42,714** | 13,630 |
| Over 2 years | **14,253** | 7,229 |
| **Total** | **338,400** | 213,437 |

The Group normally granted credit period from 1 week to 3 months from the date of invoice to its customers (including related parties but excluding certain advertising agents of classified advertisements).

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

(2) Analysis of accounts receivable by categories:

| | **As at 31 December 2013** | | | | As at 31 December 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Balance of carrying amount** | | **Provision for bad debts** | | Balance of carrying amount | | Provision for bad debts | |
| | **Amount** | **Percentage (%)** | **Amount** | **Percentage (%)** | Amount | Percentage (%) | Amount | Percentage (%) |
| Significant individual receivables with bad debt provision made on individual basis | – | – | – | – | – | – | – | – |
| Receivables with bad debt provision made on group basis | | | | | | | | |
| Aging group | **251,831** | **71.73** | **10,064** | **4.00** | 175,682 | 79.09 | 4,088 | 2.33 |
| Related party group | **96,433** | **27.47** | – | – | 29,930 | 13.47 | – | – |
| Non-risk group | – | – | – | – | 11,913 | 5.36 | – | – |
| Sub-total | **348,264** | **99.20** | **10,064** | **2.89** | 217,525 | 97.92 | 4,088 | 1.88 |
| Insignificant individual receivables with bad debt provision made on individual basis | **2,801** | **0.80** | **2,601** | **92.86** | 4,604 | 2.08 | 4,604 | 100.00 |
| **Total** | **351,065** | **100.00** | **12,665** | | 222,129 | 100.00 | 8,692 | |

Accounts receivable with bad debt provision by aging method:

| | **As at 31 December 2013** | | | As at 31 December 2012 | | |
|---|---|---|---|---|---|---|
| | **Amount** | **Provision Percentage (%)** | **for bad debts** | Amount | Provision Percentage (%) | for bad debts |
| Within 1 year | **197,579** | – | – | 160,015 | – | – |
| 1 – 2 years | **41,455** | **10.00** | **4,145** | 7,769 | 10.00 | 777 |
| 2 – 3 years | **6,305** | **30.00** | **1,892** | 4,954 | 30.00 | 1,486 |
| 3 – 4 years | **3,887** | **50.00** | **1,943** | 1,767 | 50.00 | 884 |
| Over 4 years | **2,605** | **80.00** | **2,084** | 1,177 | 80.00 | 941 |
| **Total** | **251,831** | | **10,064** | 175,682 | | 4,088 |

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

(3) The ageing analysis of the accounts receivable which are past due but not impaired as at the balance sheet date are as follows:

| Ageing | As at 31 December 2013 | As at 31 December 2012 |
|---|---|---|
| Within 6 months | **50,418** | 32,613 |
| 6 months to 1 year | **33,434** | 1,754 |
| 1 – 2 years | **5,405** | 6,774 |
| 2 – 3 years | **6,774** | 648 |
| 3 – 4 years | **348** | 54 |
| Over 4 years | **54** | – |
| **Total** | **96,433** | 41,843 |

Trade receivables which are past due but not impaired are related to independent customers and related parties, such accounts have good credit records with the Group. According to the past experience, management of the Company was of the view that no provision is necessary with respect to such balances, as there is no significant change in credit quality and balances are still considered to be fully recovered.

## 11. OTHER CURRENT ASSETS

| Items | As at 31 December 2013 | As at 31 December 2012 |
|---|---|---|
| Entrusted loans | **–** | 150,600 |
| **Total** | **–** | 150,600 |

Other current assets represents one-year entrusted loans that the Company provided to BQTM, Beiqing Top and Hebei Heqing Media Company Limited via banks for a term of within one year, amounting RMB70,000 thousand, RMB25,600 thousand, and RMB55,000 thousand, respectively. As at 31 December 2013, the above-mentioned entrusted loans have been wholly repaid.

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

## 12. FINANCIAL ASSETS AVAILABLE-FOR-SALE

| Type | As at 31 December 2013 | As at 31 December 2012 |
|---|---|---|
| Unlisted equity investments, China | **144,629** | 64,629 |
| Provision for impairment of unlisted equity investments | **5,069** | 5,069 |
| **Total** | **139,560** | 59,560 |

*Note:* Upon the approval of the 37th Board meeting of the 4th Session of the Board held on 6 February 2013 by way of resolution, it was approved that the subsidiary of the Company, LEP Media, to entered into Limited Partnership Agreement with Beijing Runxin Bohua Investment Management Co., Ltd., Beijing Runxin Dingtai Assets Management Co., Ltd. and other investors, to establish Beijing Runxin Dingtai Investment Centre (Limited Partnership). LEP Media, as a Limited Partner, will be invested RMB50,000 thousand to the Fund. As at 31 December 2013, LEP Media has contributed RMB25,000 thousand. For details, please refer to the announcement of the Company dated 28 February 2013.

The Company entered into a capital increase agreement with Beiyang Media, Hebei Publishing & Media Group Co. Ltd. and Hebei Jikang Investment Co. Ltd. on 21 June 2013, pursuant to which the Company agreed to invest into Beiyang Media in the amount of RMB55,000 thousand in cash. Upon capital injection, the Company's shareholding in Beiyang Media increased from 1.5% to 2.58%. The capital injection will be further used in the expansion of the business in Hebei Province and will generate more returns for the Company through Beiyang Media when it becomes more profitable in the future. Please refer to the announcement of the Company dated 21 June 2013 for details.

## 13. LONG-TERM EQUITY INVESTMENTS

**(1)**

| Items | As at 31 December 2013 | As at 31 December 2012 |
|---|---|---|
| Investment in associates using equity method | **248,097** | 135,171 |
| **Total** | **248,097** | 135,171 |

**(2) Investments in associates**

| Items | As at 31 December 2013 | As at 31 December 2012 |
|---|---|---|
| Unlisted investments, at cost | **188,782** | 91,294 |
| Share of post-acquisition profit | **58,990** | 43,552 |
| Share of capital reserves of associates | **325** | 325 |
| **Total** | **248,097** | 135,171 |

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

## 14. OTHER NON-CURRENT ASSETS

| Items | As at 31 December 2013 | As at 31 December 2012 |
|---|---|---|
| Entrusted loan *(Note 1)* | **3,000** | – |
| Film projects prepaid expenses *(Note 2)* | **17,032** | – |
| **Total** | **20,032** | – |

*Note 1:* As at 31 December 2013, the Company provided entrusted loan in aggregate of RMB3,000,000 to Chongqing Youth Industrial Co., Ltd. via bank for a term of three years and carry fixed interest rates of 6.15% per annum.

*Note 2:* Film projects prepaid expenses related to the Company's participation in film and television production of "The Story of Zheng Yang Gate" (《正陽門下》) and "Silent Witness" (《全民目擊》). The Company entered into agreements with Daqianmen (Beijing) Media Co. Ltd. pursuant to which the Company participated for the production and distribution of television series of "The Story of Zheng Yang Gate"; and Century 21 Wink Films Investment Co., Ltd. pursuant to which the Company involved in production of the Film "Silent Witness". As at 31 December 2013, the balances related to these two film and television projects prepaid expenses are RMB11,632 thousand and RMB5,400 thousand respectively.

## 15. ACCOUNTS PAYABLE

The following is an ageing analysis of accounts payable as at 31 December 2013 presented basing on the invoice date:

| Ageing | As at 31 December 2013 | As at 31 December 2012 |
|---|---|---|
| Within 90 days | **28,680** | 66,334 |
| 91 to 180 days | **17,434** | 24,611 |
| 181 to 365 days | **41,049** | 2,572 |
| Over one year | **33,608** | 15,013 |
| **Total** | **120,771** | 108,530 |

The average credit periods for purchase of goods are from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit period.

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

## 16. OTHER PAYABLES

| Items | **As at 31 December 2013** | As at 31 December 2012 |
|---|---|---|
| Other payables | **21,478** | 92,215 |
| **Total** | **21,478** | 92,215 |

As at 31 December 2012, the balance of other payables included an amount of approximately RMB72,060,000 denominated in HKD88,870,000. The amount represents the proceeds from the sale of shares in global offering by three shareholders ("Selling Shareholders") which are PRC state-owned enterprises. The proceeds were received by the Company on behalf of the Selling Shareholders. Pursuant to the relevant PRC government requirement, the proceeds will be remitted to the National Social Security Fund. The Company remitted the above-mentioned proceeds to the National Social Security Fund on 28 January 2013.

As at 31 December 2013, other payables did not include amount which denominated in other currencies (2012: HKD 88,870,000, approximately equivalent to RMB72,060,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW OF THE GROUP

The Group is principally engaged in three core businesses: (1) advertising sales, this part of business contributed the largest portion of the turnover of the Group; (2) printing, the turnover of business of this part mainly generated from the revenue of the printing of publications arranged by BYD Logistics; and (3) trading of print-related materials, the business of this part involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to customers including commercial printers.

Total operating revenue of the Group for 2013 was RMB667,428 thousand (2012: RMB690,276 thousand), representing a decrease of approximately 3.31% as compared with that for the corresponding period of 2012. Net profit attributable to shareholders of the Company was RMB20,377 thousand (2012: RMB64,987 thousand), representing a decrease of approximately 68.64% as compared with that for the corresponding period of 2012.

In 2013, according to market observation data provided by third party, affected by the macroeconomy, the Beijing Municipal Government continued to maintain macro control policies over the real estate market and enforce stringent restrictive policies on automobile purchase, which persistently exerted pressure on the advertising sales to real estate and automobile sectors; coupled with challenge from the emerging media, the competition was intensified in print media industry of metropolitan newspapers.

In the face of the severe situation of market competition and emerging media, as a popular mainstream media, Beijing Media fully consolidated resources within the Group. With our foundation in advertising segment and enhancing cross-segment cooperation, the Group actively explored new businesses, established new marketing models. The Company integrated its marketing capability by aligning with Legal Evening Post and Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》) to gain more advertising placement by covering morning posts, evening posts and aviation media in Beijing. The advertisement of the Company in the sections of the real estate, appliances, home decorations, recruitment, living services, education, private collection and entertainment witnessed year-on-year growth to different extents. As the revenue base of above-mentioned sectors is comparatively small, the increase in the advertising placement volume only has limited effect to the overall income. However, the increase in advertising placement volume indicated the beginning of the Company's adjustment in advertising structure and balanced development of income.

Affected by overall economic situation and various regulatory policies of the Government, and together with the challenge from emerging media such as internet, although the Company has excellent performance in 2013, compared with other metropolitan print media, total operating revenue still decreased slightly by RMB22,848 thousand compared with the same period of 2012. With the effort made by the Company, the decrease in total operating revenue of the Company in 2013 slowed down by 3.31% compared with the same period in 2012. The decrease in revenue was mainly caused by the decrease in advertising revenue from the automobile industry and the luxury industry. The amount of reduction in advertising revenue of these two industries were similar to the amount of reduction in the Group's revenue. The Beijing Municipal Government introduced more stringent vehicle control policy in 2013. The annual vehicle purchasing quota was reduced to 150,000 from 240,000, which reduced the expectation of automobile producer on the future automobile market in Beijing and then led to a drastic drop in the placement of advertisement by the automobile industry in Beijing, the advertising revenue of the Company was therefore adversely affected. Besides, given the anti-corruption measures were intensified in 2013, luxury goods producers significantly reduced placement of advertisements. The profit of the Company was lower than the same period of 2012, was mainly because: (1) the revenue of the Company decreased to a small extent; (2) the three newly invested companies Chongqing Media, Beiqing Community Media and Hebei E-Commerce Company Limited were still in the rearing period with the amount of RMB11,878 thousand's loss and (3) a decrease in the return in investment in 2013. The adverse effects brought by the recent stringent control policies of the Government is expected to be largely reduced and the advertising market is expected to be rebounded gradually which will then improve the confidence of advertising owner on the market. It is expected that advertisement placement volume for the year ending 2014 will have better performance than 2013.

In 2013, the advertising business in real estate sector was still the major advertising business of the Company. To cope with the needs of market and clients, the Company actively innovated new marketing model and initially attempted the "sales linked business" mode, by combining advertising sales and property sales by making use of the public trustiness of the brand name of Beijing Media, to provide more extra services to clients. With the continuous improvement of living standard, the demands for properties related to regimen, vacation and housing investment were growing. Besides, properties in other cities became appealing to the high net worth individuals in Beijing as it would not be affected by Beijing's stringent restrictive policies on property purchase. To accommodate the demands of this target group, the Company actively explored the property sources in other cities and further developed customers in Beijing with real estate sectors in other cities leveraging on its own media advantages. This could help us to formulate the comprehensive and customized marketing solutions for our customers and further improve the supporting services. At the end of the year, the Company had successfully organized several property tours with remarkable response.

In addition, the Company moved the housing exhibition into home furnishing plaza for the first time, focusing on housing exhibition, and created a cross-industry collaboration business model which integrated the industrial chain including but not limited to the home decoration, home appliances and finance etc. to become the main feature of the exhibition. This not only strengthened the promotion for Beijing Media's brand image, but also promoted the placement of advertisement of the Company in other related industries.

In 2013, advertisement income from real estate industry and other related industries witnessed year-on-year growth to different extent.

In 2013, placement volume of advertisement in automobile industry was in the top ranking among the total placement volume of advertisement of the Company. Starting from the first half of 2011, a restrictive policy on automobile purchase was launched in Beijing, which had a continuous adverse impact on the placement of advertisement in automobile industry. According to the market observation data provided by third party surveyors, in 2013, the total volume of advertisement placed by automobile industry in the print media of Beijing Metropolitan newspapers showed a significant decrease of 17.67% as compared with the same period of last year. According to the most recent restrictive policies on vehicles purchase in Beijing, the total allocated sales quota of limousines by way of free lottery has been decreased from 240,000 to 150,000 each year. Recently, demand for replacing used automobile by the new one gradually increased the market of car purchase beyond the quota has been formed. The Company has quickly identified this target market and designed combined marketing solutions for customers supplemented by other resources to provide value-added services. Besides, with a lot of used cars being replaced, second-hand car transactions which mainly aimed at sales in peripheral areas became an emerging market with rapid growth. Following "the First Beijing, Tianjin and Hebei Second-hand Car Forum" successfully held last year which built the first communication platform in second-hand car industry, the Company initiated "the Second Beijing Car Replacement Roundtable Forum" to promote the setting up of integrity system for second-hand car transactions and create a fair, honest and harmonious market environment for second-hand car trading. It also played a positive role in promoting advertisement placement in automobile industry.

Under the continuous market downturn of the automobile industry, the Company utilized its own media resources and strengthened its traditional business advantage to organize this year's Automobile Exhibition. Around 20 local and foreign well known automobile producers, including BMW, Audi, Mercedes-Benz, FAW-Volkswagen, Shanghai-Volkswagen, Dongfeng Peugeot, Beijing-Hyundai, Dongfeng-Nissan, GAC-Toyota and GAC-Honda, were invited to the exhibition and the number of models displayed in the exhibition recorded a new high. The exhibition further consolidated the brand image of Beijing Media as a "Real Luxurious Automobile Exhibition" perceived by consumers. The Automobile Exhibition 2013 achieved outstanding results in terms of onsite vehicle sales, potential customers, number of visitors and ticket sales.

Furthermore, the Company further connected its advertisement production to the publication platform. At the Shanghai International Automobile Industry Exhibition 2013, it was the first time the Company issued an extra edition with all the editing, designing and printing procedures completed in the exhibition venue, enabling readers to receive the first hand news of the exhibition in abundant copies and successfully overcame the challenge against traditional media about the timeliness of advertisement. Such model became appealing to our customers. In addition, the Company was the first enterprise to pray for the victims of Ya'an earthquake and our reputation as a socially reasonbile enterprise was widely recognized.

In 2013, the market observation data provided by third party surveyors showed that, benefited from the efforts of the Company in different aspects, the placement volume of advertisement in automobile industry of the Company still maintained a leading advantage in the industry compared with other print media of Beijing Metropolitan newspapers (market share in 2013 of placement volume of advertisement of the Company in automobile industry among print media of Beijing Metropolitan newspapers was 36.84%).

The Group endeavoured in different aspects to minimize the impact from the declining advertising income from automobile and luxury industries. Revenue from advertising sales of the Group for 2013 was RMB339,805 thousand (2012: RMB361,299 thousand), representing a decrease of 5.95% as compared with 2012.

In face of the difficult situation, the Company made detailed projection of the market, reinforced its existing client base and continued to develop new selling points for its business, explored diversified business models and seized opportunities to strengthen its own advantage in media and its strong operating position in the industry. In 2013, the monitoring data provided by third party surveyors showed that market share of advertisement in Beijing Youth Daily was still in the top ranking among major Beijing metropolitan newspapers (market share was 34.97%).

In 2013, the Company also actively promoted the strategic development of outdoor advertisement business. Among tenders for outdoor billboards invited by Beijing Municipal Commission of City Administration and Environment, the advertisement operations of the 6 outdoor billboards which the Company successfully acquired were in good operating condition and generated additional income for the Company.

Besides, the Company also extended its operation in different directions and continued to expand the cultural market while consolidating its current business. The Company set foot on the film and television production operations and invested in the TV series of "The Story of Zheng Yang Gate" (《正陽門下》). This television series have been broadcasted on China Central Television, Beijing Television and some local Satellite Televisions in succession, and distribution through a number of channels or platforms such as local, overseas and networks were completed and received good response from TV commentators with high ratings. On this basis, the Company continued to look for joint investment model in filming. The Company entered into joint investment agreement in filming with Beijing Century 21 Wink Films Investment Co., Ltd in July 2013 to produce the film "Silent Witness" (《全民目擊》). After the film was released, it won a good reputation from audience and industry insiders.

**RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP**

BYD Logistics is a 92.84%-owned subsidiary of the Company. Operating revenue of the Group from the printing and the trading of print-related materials businesses for the year 2013 was RMB22,330 thousand and RMB266,786 thousand (corresponding period of 2012: RMB47,147 thousand and RMB272,208 thousand), respectively, representing a decrease of 52.64% and 1.99% as compared with those of the corresponding period of 2012. Meanwhile, BYD Logistics increased its input in the new sector of digital printing and further expanded its market in respect of on-site publication and network personalization. In November 2013, the service of "digitalized publication-on-demand project" was showcased at China New Media Development Zone in the 8th China Beijing International Cultural & Creative Industry Expo, promoting the new concept of instant publication in digital printing. In 2013, BYD Logistics successfully implemented purchase and cost control, net profit for the period increased 62.66% as compared with the same period last year.

Beiqing CéCi, a 84.69%-owned subsidiary of the Company which focused on advertising business in CéCi (《CéCi姐妹科學》) magazine, is a premium women's magazine for fashion mavens distributed across major cities of China including Hong Kong. CéCi magazine is the first Korean-style trendy magazine introduced into the PRC. Its lively writing and easygoing style give the best annotation to the orient trendy life of Chinese professional women with its advocation of a modern culture combining innovation and pragmatism in Asia. Through five years' operation, CéCi, being the favourite magazine of urban white-collar women with a sound track record in sales since its launching, achieved a year-on-year growth of 16.43% in revenue from advertising sales in 2013, realized net profit of RMB4,171 thousand and a year-on-year growth of 380.13%. In the First Half of 2013, the community project, "Asian New Youth Growth Programme: My Dream-Elite Talent Training Programme", was jointly organized by CéCi magazine, "Youth Weekend AIRTIME", a high-end fashion lifestyle weekly magazine, "YOBOOM", a campus lifestyle magazine. Together with Starwood Hotels International Management Group, these projects focused on university graduates and talents were recommended to enterprises, which effectively raised the brand influence and attraction of Beijing Media. On 6 June 2013, CéCi magazine and YOBOOM magazine, together with Poly Film and Coca-Cola Company, held the first "CéCi Sisters Festival" movie carpet show in Beijing; On 2 November 2013, in the new product launch held in Shenyang in cooperation with Shiseido and EE-Media, Mr. Zhang Han, the popular artist in China, was invited to extend his support. Beiqing CéCi continuously enhanced the reputation and influence of CéCi magazine through new marketing initiatives.

Today Sunshine is a wholly-owned subsidiary of the Company. In order to keep extending the outdoor billboard advertising market business, the Company won the bid of operations of outdoor single column billboards from Beijing Municipal Commission of City Administration and Environment and acquired the operation permit in the facilities of 6 outdoor single column billboards for 3 years which was then granted to Today Sunshine. In 2013, the operations of outdoor billboards was smooth and the operation efficiency of Today Sunshine was significantly raised. As a result, the operating revenue achieved a year-on-year growth of 77.17% over 2012. Today Sunshine continued the effort in 2014 and successfully won the bid of outdoor single column billboards from Beijing Municipal Commission of City Administration and Environment, acquiring the operation right of multiple single column billboards in sections in East 4th Ring and East 5th Ring in Beijing. Meanwhile, Today Sunshine expanded its operation team and the operation efficiency was further enhanced through standardised and innovative management. On this basis, Today Sunshine planned to actively develop its new strategic business by exploring the "digital outdoor" advertisements to achieve the combined marketing model, which opened up a new economic growth point while striving to achieve development on the expanded and continual operations in its advertisement on single column business.

BQTM is an associate of the Company. In 2013, relying on its wide coverage of 15 airports and operation of over 70 large LED/LCD screens in the airports, BQTM further consolidated its position as the largest airport LED operator in China. On this basis, BQTM is actively expanding the business of new media and in other new fields. Meanwhile, it has launched a full range cooperation in business and capital with several big domestic aviation media operators. In May 2013, BQTM and China Aviation Media Advertising Company (中國航空傳媒廣告公司) entered into the contract to jointly operate the television programs on the aircrafts of Air China Limited (the "Air China", 中國國際航空股份有限公司), pursuant to which BQTM obtained the exclusive general agent rights of all television programs on the aircrafts of Air China as well as the right to participate in and make suggestions to the contents of the television programs on the aircrafts of Air China. BQTM will unswervingly continue to develop airports video media and to actively carry out business cooperation with the airlines based on cabin entertainment in the air, using mobile internet technology as a link to achieve the communications between air media and airport media as well as between media and travellers. In 2013, consolidated net profit of RMB43,556 thousand was realized.

On 28 February 2013, LEP Media, a wholly owned subsidiary of the Company, entered into a limited partnership agreement as a limited partner with Beijing Runxin Bohua Investment Management Co., Ltd., Beijing Runxin Dingtai Assets Management Co., Ltd., Shannan Runxin Investment Management Centre (Limited Partnership) (the "Fund") and other investors to form Beijing Runxin Dingtai Investment Centre (Limited Partnership), with capital contribution of RMB50,000 thousand committed by LEP Media, to focus on investment in the equity of companies to be listed, depending on China Securities Co., Ltd.. The first project launched by the Fund after establishment was online games, which has great potential of development with rapid growth. In 2013, the Fund strictly adhered to the principles of prudent investment and further intensified efforts to develop the projects. Some project enterprises in which the Fund had invested had begun implementation of the backdoor listing plan, or had chosen a sponsor to tackle the problems related to their listing.

In order to promote diversification of the Company's media business, further implement the strategic goal of cross-regional development and enhance the influence of the brand of Beijing Media, with the approval from the Board, the Company accepted the invitation of Chongqing municipal League, Chongqing Youth Daily Agency and Chongqing Youth Industrial Co., Ltd. (重慶青春實業有限公司) to establish a joint venture, in the first half of 2013. Thus, with an investment of RMB18,000 thousand by the Company (holding 60% equity interests) and an investment of RMB12,000 thousand by Chongqing Youth Industrial Co., Ltd. (holding 40% equity interests), the Company and Chongqing Youth Industrial Co., Ltd. jointly established Chongqing Youth Media Limited Liability Company, with exclusive operating rights to the Chongqing Youth Daily (《重慶青年報》), including but not limited to, distribution, advertising agency and publishing business of the Chongqing Youth Daily (《重慶青年報》). After its reorganization, Chongqing Youth Daily (《重慶青年報》) was positioned as a weekly newspaper rooted in Chongqing and aimed at development in the Southwest with influence in the Chongqing mainstream society and coverage of the middle and high income group in Chongqing. Since its establishment, the company was relaunched and impressed readers with idea of "broad coverage of the world and in-depth coverage of Chongqing" and attained good market response. At the end of 2013, the subscription of Chongqing Youth Daily (《重慶青年報》) for 2014 reached 29,000 copies. At the beginning of 2014, the circulation of Chongqing Youth Daily (《重慶青年報》) has reached 50,000 copies.

Beiqing Long Teng Investment Management (Beijing) Co., Limited is a 51%-owned subsidiary of the Company. The relevant capital injection in November 2013 and corresponding changes in registration with the industrial and commercial administration authorities were all completed. Beiqing Long Teng put efforts on investment management and capital market businesses. Based on the Group's background in the cultural and media industry, and capital strength, Beiqing Long Teng will explore a multi-channel and multi-model investment approach which suits the characteristics of Beijing Media and build a unique investment brand in the cultural market to establish a new investment and financing platform for the Group. It is expected that in 2014, Beiqing Long Teng will establish and run various project investment funds that focus on different sectors.

To realize the strategic transformation and respond to the dynamic change of the business environment of media industry, on 25 October 2013, the Company solely established Beiqing Community Culture Media (Beijing) Limited (北青社區文化傳媒(北京)有限責任公司) with registered capital of RMB15,000 thousand which is responsible for the operation of Beiqing Community Daily (《北青社區報》),

Relying on government advantages, Beiqing Community Daily (《北青社區報》) entered into different communities. Major business districts and popular gathering places were of first priority. Through interaction between newspapers, microblog, Weixin and APP, specific districts were covered, and formed a platform which can provide a variety of services. At the same time, a link can be formed between different media , through which large data marketing were carried out. Through which the Company is able to occupy a strong focus on print media channels, Beiqing Community Daily (《北青社區報》) represents a new profit growth point of the Group. At the end of 2013, Beiqing Community Daily (《北青社區報》) has produced 5 free community papers for Shunyi District, Fangzhuang District, Chaoqing District, Tongzhou District and Shiji Cheng District, the circulation of each of which was about 50,000 copies which was extensively distributed in almost 100 communities in total. Each newspaper has established their corresponding sub-district. At present, the circulation of Beiqing Community Daily (《北青社區報》) is 10 community papers, it is expected that there will increased to 25 community papers under the name of Beiqing Community Daily (《北青社區報》) by the end of 2014.

To get access to the e-commence operation, further develop the company's cross-region development, achieve a win-win situation by way of strong coalition and sharing resources, on 22 November 2013, the Company, together with Hebei Xinhua Bookstone Co., Ltd. (河北省新華書店有限責任公司) established Hebei Jujingcai E-commerce Company Limited (河北聚精采電子商務股份有限公司) with registered capital of RMB16,000 thousand, of which RMB7,120 thousand, representing 44.5% equity interests, was contributed by the Company. Hebei Jujingcai E-commerce Company Limited (河北聚精采電子商務股份有限公司) primarily operates CaiCai.cc, an online shopping platform starting trial operation on 3 December 2013. CaiCai.cc focuses on new, special and prime green agricultural products by virtue of the advanced resources in Beijing and Hebei, and plans to extend to regional tourism and cultural products with an aim to build a most famous and powerful regional online shopping platform in Beijing, Tianjin and Hebei.

The Group is committed to diversify investment portfolio and set up extensive media platforms with comprehensive audience group, covering newspapers, magazines, LED internet, aviation and outdoor broadcast. Meanwhile, the Group managed to provide all-round sophisticated media marketing platforms for advertisers to place advertisements, which enabled advertisers to maximize return by selecting diversified cross-channel, cross-media and cross-region advertising portfolios.

## EVENTS ORGANIZED DURING THE YEAR

During 2013, the "2013 Beijing Auto Exhibition" hosted by BYDA and the Group was successfully held at the National Conference Centre of Beijing Olympic Park from 9 August to 12 August 2013. During the four-day exhibition period, the number of visitors reached a record high of 100,000 and 913 vehicles were sold. With the participation of approximately 20 famous international and domestic automobile producers, including BMW, Audi, Mercedes-Benz, FAW-Volkswagen, Shanghai Volkswagen, Dongfeng Peugeot, Beijing-Hyundai, Dongfeng-Nissan, GAC-Toyota and GAC Honda, the number of automobile model reached a historical high which in turn further deepened the image of such exhibition as a "true exhibition with valuable yield" from the perspective of consumers. The exhibition achieved outstanding performance in terms of the number of cars sold on site, number of potential customers, pedestrian flow and ticket sales.

In January 2013, the Company cooperated with the Municipal Government of Sanya and B.F industry (八方會展公司) to establish the cross-media cooperation organization named "The National Media Home" ("全國媒體之家") and organized the kick-off ceremony in Sanya. This provides a great opportunity for the Company to expand into the real estate advertising market in Hainan.

On 6 July 2013, leveraging on the strong influence of the brand of Beijing Media and our own marketing resources, the Company attempted to cultivate a professional sales platform for tourism industry and organized "Beijing Media Travel Exhibition" for the first time. Relying on its experience of operating Beijing Media Tourism Reader Club (北青遊友會讀者俱樂部) for three years, the event attracted 13 travel agencies, and 32 travel plans for both international and domestic destinations were sold out on site and a total of 95 products were sold on that day which demonstrated remarkable results.

Meanwhile, capitalising on its media strengths and integrating and consolidating its interal resources, the Group established a platform for communications between readers (consumers) and advertising customers (exhibitors). In 2013, Beijing Media organized a number of large-scale exhibitions including Real Estate Group Exhibition, known as "beautiful life beautiful home" and Shanghai International Auto Exhibition, which effectively facilitated placement of advertisements by the respective industries.

## PROSPECTS AND FUTURE PLANS

While maintaining its existing core businesses in 2014, the Group intends to further diversify its media business through acquisitions and cooperation. Aiming at further development of its business, the Group will bolster its ongoing relationship with BYDA, in order to stand out from its peers as a leading cross-media group in the PRC.

In 2014, the Group will seize opportunities in the development of cultural industry and restructuring of non-current affairs type newspapers and periodicals in the PRC to push ahead with capital operations, aiming at a new move in business expansion.

In 2014, the Group will continue its acquisition of related assets and business of LEPA, a subsidiary of BYDA to further boost the development of advertisement business.

In 2014, the Group will continue to exploring emerging media business segment, on 27 February 2014, with approval from the Board, the Company will proposed to invest RMB60,000 thousand to form Beijing Qingyou Information Technology Company Limited (北京青游信息技術有限公司) and recruit senior technical management team to operate web game platform "Qingyou online". At the same time, relying on the media advantage and influence of the Group, a precise marketing advertising network service platform for different operations was established. The game platform at present has completed the online trail testing and is now under stable operation. It has around 200,000 users, it is expected to be the new profit growth point of the Group.

In 2014, the Group will base on Today Sunshine to accelerate the development of outdoor advertisement. With our headquarters in Beijing, we will extend our business all over the country with focus on channel development and outdoor advertisement in emerging media form. In March 2014, the Company and

Today Sunshine successfully won the bid of outdoor single column billboards from Beijing Municipal Commission of City Administration and Environment for the operation right of multiple single column billboards in sections in East 4th Ring and East 5th Ring in Beijing, respectively.

In 2014, the Group will continue to expand the cultural industry market, setting foot on the film and television production operations. Based on the successful production of TV series "The Story of Zheng Yang Gate" (《正陽門下》) and film "Silent Witness" (《全民目擊》) which won good reputation and earned corresponding revenue, on 27 February 2014, with approval by the Board, the Group jointly invested and produced TV series "Henqiu" (《恨球》) with Evergrande Entertainment Co., Ltd and Guangdong Guangshi Media Co., Ltd. (a wholly-owned subsidiary of Guangdong Television, principally engaging in TV and film production). Currently, several satellite television stations have intented to purchase the broadcasting right; In addition, the Company has jointly invested and produced TV series "All Quiet in Peking" (《北平無戰事》) and "Starring Actor" (《頭牌》) with Beijing Spring Film TV Culture Co,.Ltd. and Taihai Pictures Co., Ltd, respectively, in order to get more profit opportunities.

## FINANCIAL POSITION AND OPERATIONAL RESULTS

### 1. *Total Operating Revenue*

Total operating revenue of the Group for 2013 was RMB667,428 thousand (2012: RMB690,276 thousand), representing a decrease of 3.31% as compared with 2012. Of which, revenue from advertising sales was RMB339,805 thousand (2012: RMB361,299 thousand), representing a decrease of 5.95% as compared with 2012; revenue from printing was RMB22,330 thousand (2012: RMB47,147 thousand), representing a decrease of 52.64% as compared with 2012; and revenue from trading of print-related materials was RMB266,786 thousand (2012: RMB272,208 thousand), representing a decrease of 1.99% as compared with 2012.

### 2. *Operating Cost and Sales Tax and Surcharges*

Operating cost of the Group for 2013 was RMB573,686 thousand (2012: RMB608,474 thousand), representing a decrease of 5.72% as compared with 2012. Of which, cost of advertising sales was RMB268,198 thousand (2012: RMB308,070 thousand), representing a decrease of 12.94% as compared with 2012; cost of printing was RMB17,320 thousand (2012: RMB42,212 thousand), representing a decrease of 58.97% as compared with 2012; and cost of trading of print-related materials was RMB251,790 thousand (2012: RMB257,642 thousand), representing a decrease of 2.27% as compared with 2012. Sales tax and surcharges was RMB13,087 thousand (2012: RMB23,678 thousand), representing a decrease of 44.73% as compared with 2012.

### 3. *Gross Profit*

Gross profit of the Group for 2013 was RMB93,742 thousand (2012: RMB81,802 thousand), representing an increase of 14.60% as compared with 2012; gross profit margin of the Group for 2013 was 14.05% (2012: 11.85%).

### 4. *Selling Expenses*

Selling Expenses of the Group for 2013 was RMB17,682 thousand (2012: RMB14,494 thousand), representing an increase of 22% as compared with 2012.

### 5. *Administrative Expenses*

Administrative expenses of the Group for 2013 was RMB56,797 thousand (2012: RMB50,362 thousand), representing an increase of 12.78% as compared with 2012.

### 6. *Financial Expenses*

Financial expenses of the Group for 2013 was RMB-23,417 thousand (2012: RMB-31,314 thousand), representing a decrease of 25.22% in absolute value as compared with 2012. Of which, interest income was RMB23,960 thousand (2012: RMB32,508 thousand), representing a decrease of 26.30% as compared with 2012; and foreign exchange gain was RMB108 thousand (2012: foreign exchange loss RMB510 thousand), representing an increase of 121.18% in absolute value as compared with 2012.

### 7. *Share of Profit of Associates*

Share of profit of associates of the Group for 2013 was RMB10,347 thousand (2012: RMB13,633 thousand), representing a decrease of 24.10% as compared with 2012.

### 8. *Operating Profit*

Operating profit of the Group for 2013 was RMB32,062 thousand (2012: RMB68,716 thousand), representing a decrease of 53.34% as compared with 2012.

### 9. *Income Tax Expenses*

Income tax expenses of the Group for 2013 was RMB2,174 thousand (2012: RMB6,778 thousand), representing a decrease of 67.93% as compared with 2012. The taxation authority in the PRC has granted the Company an income tax exemption of five years effective from 1 January 2009 to 31 December 2013.

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

Net profit of the Group for 2013 was RMB17,273 thousand (2012: RMB63,459 thousand), representing a decrease of 72.78% as compared with 2012. Of which, net profit attributable to shareholders of the Company was RMB20,377 thousand (2012: RMB64,987 thousand), representing a decrease of 68.64% as compared with 2012.

## *11. Final Dividend*

The Board recommends the distribution of a final dividend of RMB0.14 per share (2012: RMB0.30 per share).

## *12. Net Current Assets*

As at 31 December 2013, net current assets of the Group was RMB770,537 thousand (31 December 2012: RMB1,023,603 thousand). Current assets mainly comprised of bank balances and cash of RMB562,219 thousand (31 December 2012: RMB828,850 thousand), financial assets held for trading of RMB15 thousand (31 December 2012: RMB22 thousand), accounts receivable of RMB338,400 thousand (31 December 2012: RMB213,437 thousand), prepayments of RMB48,653 thousand (31 December 2012: RMB16,322 thousand), interest receivable of RMB4,780 thousand (31 December 2012: RMB7,355 thousand), other receivables of RMB36,847 thousand (31 December 2012: RMB80,705 thousand), inventories of RMB56,045 thousand (31 December 2012: RMB50,087 thousand), and other current assets was nil (31 December 2012: RMB150,600 thousand). Current liabilities mainly comprised of notes payable of RMB95,980 thousand (31 December 2012: RMB89,357 thousand), accounts payable of RMB120,771 thousand (31 December 2012: RMB108,530 thousand), receipts in advance of RMB37,676 thousand (31 December 2012: RMB21,660 thousand), employee benefit payables of RMB7,645 thousand (31 December 2012: RMB6,776 thousand), tax payable of RMB-14,494 thousand (31 December 2012: RMB-6,370 thousand), dividend payable was nil (31 December 2012: RMB398 thousand), other payables of RMB21,478 (31 December 2012: RMB92,215 thousand), non-current liabilities due within one year was nil (31 December 2012: RMB3,670 thousand), and other current liabilities of RMB7,366 thousand (31 December 2012: RMB7,539 thousand).

## FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2013, current assets of the Group was RMB1,046,959 thousand (31 December 2012: RMB1,347,378 thousand), including bank balances and cash of RMB562,219 thousand (31 December 2012: RMB828,850 thousand). Non-current assets of the Group was RMB565,560 thousand (31 December 2012: RMB338,447 thousand).

As at 31 December 2013, current liabilities of the Group was RMB276,422 thousand (31 December 2012: RMB323,775 thousand) and non-current liabilities was RMB2,583 thousand (31 December 2012: RMB3,616 thousand).

As at 31 December 2013, shareholders' equity of the Group was RMB1,333,514 thousand (31 December 2012: RMB1,358,434 thousand).

## GEARING RATIO

As at 31 December 2013, gearing ratio of the Group was 20.92% (31 December 2012: 24.10%) (the gearing ratio is derived from dividing the Group's total liabilities by its total equity).

## BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2013, bank loans of the Group was nil (31 December 2012: RMB3,670 thousand).

The currency unit of cash and cash equivalent held by the Group was RMB.

## FINANCE COST

Finance cost of the Group for 2013 was RMB482 thousand (2012: RMB587 thousand).

## FIVE-YEAR RESULTS HIGHLIGHTS

| | For the year ended 31 December | | | | |
|---|---|---|---|---|---|
| | **2013** | 2012 | 2011 | 2010 | 2009 |
| | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | | | (Restated) | (Restated) |
| Total operating revenue | **667,428** | 690,276 | 757,574 | 769,497 | 842,300 |
| Net profit | **17,273** | 63,459 | 122,713 | 100,298 | 149,233 |
| Net profit attributable to shareholders of the Company | **20,377** | 64,987 | 119,894 | 99,715 | 150,664 |
| Earnings per share – basic and diluted (RMB) | **0.10** | 0.33 | 0.61 | 0.51 | 0.76 |

| | As at 31 December | | | | |
|---|---|---|---|---|---|
| | **2013** | 2012 | 2011 | 2010 | 2009 |
| | ***RMB'000*** | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | | | (Restated) | (Restated) |
| Total assets | **1,612,519** | 1,685,825 | 1,667,463 | 1,743,426 | 1,750,615 |
| Total liabilities | **279,005** | 327,391 | 237,814 | 312,430 | 349,577 |
| Equity attributable to shareholders of the Company | **1,302,238** | 1,341,054 | 1,397,115 | 1,394,296 | 1,363,993 |
| Shareholders' equity per share as at the end of the year (RMB) | **6.60** | 6.80 | 7.08 | 7.07 | 6.96 |

*Note:* As the Group has adopted PRC Accounting Standards from 2011, the above financial information includes the data restated in accordance with PRC Accounting Standards before 2010. In 2011, the Company carried out a business combination under common control, and acquired 55% equity interests in Beijing Today Sunshine Advertising Co., Ltd, therefore, the above data, including years before 2010, have been restated according to requirements of PRC Accounting Standards.

## USE OF PROCEEDS FROM THE LISTING

The Company raised a total net proceeds of HK$889,086 thousand from the initial global offering in 2004. The following table sets forth a breakdown of the proposed use of proceeds as disclosed in the prospectus and the subsequent announcement, and the actual use of proceeds as at 31 December 2013:

| **Proposed use of proceeds** | **Amounts proposed**<br>*HKD* | **Amounts used**<br>*HKD* |
|---|---|---|
| Developing a number of topic-focused magazines on personal wealth management, lifestyle and cultural activities | approximately 23.59 million | approximately 23.59 million |
| Investing in and acquisition of other media businesses (including but not limited to traditional media and emerging media businesses) and related businesses (including but not limited to the additional investment in the existing businesses of the Group) | approximately 735.496 million | approximately 726,575 million |
| General working capital of the Group | approximately 130 million | approximately 130 million |

With approval from the Board, the Company jointly established Hebei Jujingcai with Hebei Xinhua Bookstore Co., Ltd. on 27 September 2013 by way of utilization of proceeds of RMB 7.12 million (approximately HKD 8,978,000 equivalent), holding 44.5% equity interest.

With approval from the Board, the Company completed the capital injection by way at utilization of proceeds of RMB 95.60 million (approximately HKD 121,135,300 equivalent) into BQTM on 18 December 2013. After the capital injection, the shareholding of the Company in BQTM increased from 31.09% to 36.12%.

For the year ended 31 December 2013, the Company utilized the proceeds of approximately HKD 50 million to supplement the general working capital.

The proceeds utilized during the year was HKD180,113,300 in total. As at 31 December 2013, the balance of proceeds of the Company was HKD8,921,000.

## SHARE CAPITAL STRUCTURE

| | Number of Shares | % of Total Share Capital *(%)* |
|---|---|---|
| Holders of Domestic Shares | | |
| – Beijing Youth Daily Agency | 124,839,974 | 63.27% |
| – Beijing Zhijin Science and Technology Investment Co., Ltd. | 7,367,000 | 3.73% |
| – China Telecommunication Broadcast Satellite Corp. | 4,263,117 | 2.16% |
| – Beijing Development Area Ltd. | 2,986,109 | 1.52% |
| – Sino Television Co., Ltd. | 2,952,800 | 1.50% |
| Domestic Shares in issue (sub-total) | 142,409,000 | 72.18% |
| H shares in issue *(Note)* | 54,901,000 | 27.82% |
| **Total share capital** | **197,310,000** | **100%** |

*Note:* Including 19,533,000 H Shares in issue held by MIH Print Media Holdings Limited, representing 9.90% of the total share capital of the Company.

## CAPITAL EXPENDITURE

Capital expenditures, including expenditures on office equipment and intangible assets, of the Group for 2013 was RMB16,876 thousand (2012: RMB2,344 thousand). Capital expenditures of the Group for 2013 was mainly comprised of the expenditures consistent with business strategies.

## CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2013, the Group did not have any contingent liabilities, nor did it have any plans relating to contingent liabilities.

As at 31 December 2013, there was no pledge over the assets of the Group.

## MATERIAL INVESTMENTS

On 28 February 2013, LEP Media (a wholly owned subsidiary of the Company), as a limited partner, entered into a limited partnership agreement with Beijing Runxin Bohua Investment Management Co., Ltd., Beijing Runxin Dingtai Assets Management Co., Ltd., Shannan Runxin Investment Management Centre (Limited Partnership) and other investors to form the Fund with the capital contribution of RMB50,000 thousand committed by LEP Media. Please refer to the announcement of the Company dated 28 February 2013 for details.

Save as disclosed above, during the year 2013, the Group had no material investment, nor any plan relating to material investment or acquisition of assets.

## MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

The Company entered into a capital increase agreement with Beiyang Media, Hebei Publishing & Media Group Co. Ltd. and Hebei Jikang Investment Co. Ltd. on 21 June 2013, pursuant to which the Company agreed to invest into Beiyang Media in the amount of RMB55,000 thousand in cash. Upon capital injection, the Company's shareholding in Beiyang Media increased from 1.5% to 2.58%. The capital injection will be further used in the expansion of the business in Hebei Province and will generate more returns for the Company through Beiyang Media when it becomes more profitable in the future. Please refer to the announcement of the Company dated 21 June 2013 for details.

On 12 December 2013, the Company entered into a capital increase agreement with BQTM and other shareholders of BQTM, pursuant to which the Company has agreed to make the capital contribution to BQTM in the amount of RMB95,600 thousand in cash. The equity interest of the Company in BQTM will increase from 31.09% to 36.12% accordingly. The Company is of the view that the capital increase will generate higher returns to the Group in future, should BQTM become more profitable in future. For more details, please refer to the announcement of the Company dated 12 December 2013.

Save as disclosed above, during the year 2013, the Group had no material acquisition or disposal 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 account 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 not subject to any exchange rate fluctuations.

## AUDIT COMMITTEE

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

The Audit Committee and the management team 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 controls and financial reporting of the Company, including reviewing of the annual audited consolidated financial statements of the Group for the year ended 31 December 2013 without dissenting opinions.

## CORPORATE GOVERNANCE

During the year ended 31 December 2013, the Company has fully complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 our Directors and Supervisors. Having made sufficient enquiry of all Directors and Supervisors, all Directors and Supervisors confirmed they have complied with the required standards under the Model Code for the year ended 31 December 2013.

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

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## FINAL DIVIDEND

The Company held its annual Board meeting on Monday, 24 March 2014 to propose a resolution recommending distribution of a final dividend of RMB0.14 per share (tax inclusive) in an aggregate amount of approximately RMB27,623.40 thousand for the year ended 31 December 2013. If the profit distribution proposal is approved by the Shareholders at the annual general meeting of 2013 to be held on Tuesday, 20 May 2014 by way of an ordinary resolution, the final dividend will be paid to the Shareholders of H shares whose names appear on the H Shares register of members of the Company on Wednesday, 28 May 2014.

According to the Law on Corporate Income Tax of the People's Republic of China which came into effect on 1 January 2008 and its implementing measures and other relevant rules, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Shares register of members of the Company. Any shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore their dividend receivable will be subject to the withholding of the corporate income tax.

Pursuant to Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (the "Notice") issued by the State Administration of Tax on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders is subject to individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries where they are residing and

Mainland China. According to the above notice, unless the relevant tax regulations, tax agreements or notices provided otherwise, the Company shall withhold 10% of the final dividends as individual income tax when distributing the final dividend to the individual Shareholders of H shares appearing on the register of members of the Company on 28 May 2014.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 18 April 2014 to Tuesday, 20 May 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the annual general meeting and voting in the meeting, all transfer documents of the holders of H Shares of the Company must be lodged at our H Shares Registrar at Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 17 April 2014.

The Register of Members will be closed from Saturday, 24 May 2014 to Wednesday, 28 May 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for receiving the dividend, all transfer documents of the holders of H Shares of the Company must be lodged at our H Shares Registrar at Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 23 May 2014.

## PUBLICATION OF THE RESULT ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the Company's website (www.bjmedia.com.cn) and the website of Hong Kong Stock Exchange (www.hkex.com.hk). The 2013 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the websites above-mentioned in due course.

By order of the Board
**Zhang Yanping**
*Chairman*

Beijing, the PRC, 24 March 2014

*As at the date of this announcement, the Board comprises: the executive Directors, Zhang Yanping, Yu Haibo, Sun Wei and He Xiaona, the non-executive Directors, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Xu Xun and Li Yigeng and the independent non-executive Directors, Song Jianwu, Cui Baoguo, Wu Tak Lung, Cui Enqing and Chen Ji.*

## DEFINITIONS

| | |
|---|---|
| "Audit Committee" | Audit Committee of the Board |
| "Beiqing CéCi" | Beiqing CéCi Advertising (Beijing) Limited, a subsidiary of the Company |
| "Beiqing Community Media" | Beiqing Community Cultural Media (Beijing) Company Limited, a subsidiary of the Company |
| "Beiqing Long Teng" | Beiqing Long Teng Investment Management (Beijing) Co., Limited, a subsidiary of the Company |
| "Beiyang Media" | Beiyang Publishing & Media Corporation Limited, a joint stock limited company incorporated under the laws of the PRC |
| "Board" | The board of Directors |
| "BQTM" | Beiqing Transmedia Advertising Limited |
| "BYD Logistics" | BYD Logistics Company Limited, a subsidiary of the Company |
| "Chongqing Media" | Chongqing Youth Media Company Limited, a subsidiary of the Company |
| "Company" , or "us" or "Beijing Media" | 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 |
| "Directors" | The directors of the Company |
| "Domestic Shares" | The ordinary shares of RMB1.00 per share in the capital of the Company |
| "Group" | The Company and its subsidiaries |
| "H Shares" | The foreign shares listed overseas of RMB1.00 per share in the ordinary share capital of the Company |
| "HK$" | 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 |
| "LEPA" | Legal Evening Post Agency, a subsidiary of the BYDA |
| "Listing Rules" | The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| "Parent" or "BYDA" | Beijing Youth Daily Agency, the controlling shareholder of the Company |
| "PRC" or "China" | The People's Republic of China, excluding Hong Kong, Macau Special Administration Region and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Shareholder(s)" | the shareholder(s) of the Company |
| "Supervisors" | The supervisors of the Company |
| "Today Sunshine" | Beijing Today Sunshine Advertising Co., Ltd., a subsidiary of the Company |